

DISTRIBUTION AND WAREHOUSING



The Business Paper of the Warehouse Industry

Volume 27

NEW YORK, MARCH, 1928

No. 3

I. C. C. Hears Overwhelming Protest Against Federal Truck Regulation

**Opponents, Presenting Their Arguments at Washington,
Attack Earlier Recommendations by Examiner Flynn—An-
ticipation Is That Congress Will Enact Some Sort of Legisla-
tion Within a Short Time**

By GEORGE H. MANNING

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building

EMPHATIC opposition to any Federal regulation of motor trucks in interstate commerce was expressed by a dozen representatives of trucking interests at the hearing held (Feb. 10) before the full membership of the Interstate Commerce Commission on the proposal to have Congress pass a law for complete Federal control of all interstate travel by motor vehicles.

There was as little said against the regulation of interstate bus traffic as there was said in favor of regulation of freight movements by motor vehicles, when those opposing the recommendations made by Attorney-Examiner Leo J. Flynn, in his exhaustive report on interstate motor vehicle transportation, were given their opportunity to be heard.

The hearing was arranged by the Commission to afford opportunity for presentation of oral argument by all interests concerned with the recommendations made recently to the Commission by Examiner Flynn following seventeen hearings on the subject of Federal control of motor vehicles held during the past eighteen months in all parts of the country.

The report to be made by the full Commission, based on the findings and recommendations of Examiner Flynn,

will be taken by Congress as a basis for enactment of legislation for control of all interstate motor bus and truck traffic. Congress has been delaying the drafting of a bill on this subject until it has completed its detailed investigation and announced its opinions and recommendations.

The House of Representatives Committee on Interstate and Foreign Commerce, which handles legislation of this character, decided a year ago to accept the findings of the Commission rather than make a duplication of the work of holding exhaustive hearings on the question.

It is expected the Commission will announce its decision within a month and that the House Committee will at once begin the drafting of a bill with the expectation that it will be passed and the interstate motor vehicle traffic of the country be placed under Federal control before Congress adjourns in June.

Nothing in the 30,000-word report submitted by Examiner Flynn indicated that the public, the shipper, or the truck operator, desires Federal truck regulation, opponents of such regulation declared. Nor was there any need for it, as the trucks perform an entirely different sort of service from the railroads, a service that cannot be standardized, but must conform to the exigencies of each load hauled, motor truck operators asserted.

The truck picks up freight where it is and carries it to its final destination, whereas the railroads do not, they pointed out.

In fact, the only witness heard who urged that truck traffic as well as passenger traffic be subject to Federal regulation, either directly or through joint boards of the

States concerned, with the right of appeal to the Interstate Commerce Commission, was Alfred P. Thom, representative of the Association of Railway Executives. Most of those who appeared to urge regulation of buses expressed the opinion that trucks should be exempted from control, at least for the present.

SO strongly did most of those testify-
ing feel, that they said such regulation would strangle interstate truck traffic, and one indignant truck owner, A. P. Marsh, secretary of the Motor Truck Association of Connecticut, charged that the railroads were seeking just this end, so that they could handle all the freight without competition from motor transportation.

Most of the witnesses, however, insisted that trucks are not actually in competition with railroads, but perform a different kind of service which is needed in certain conditions, and for which customers are willing to pay from twice to eight times as much as the freight rates would be. One of the reasons given in the report for recommending legislation was that regulated railroads must compete with unregulated trucks.

All those testifying pointed out the difficulty involved in discriminating among the types of truck service carrying freight in interstate commerce; the trucks operated by the owners incidental to the conduct of their business; the trucks operating on a contract basis, such as furniture-movers, who make specific trips for specific purposes; and the trucks operated as common carriers, accepting all kinds of freight over more or less definite routes.

The only group of motor truck for which legislation was recommended by the witnesses is the common carrier in interstate commerce. Less than 2 per cent of commercial truck freight is interstate, and less than one per cent is carried by common carrier trucks, the truck owners declared. Besides, many truck lines are operated on a combination basis.

H. E. Manghum, representing the Motor Truck Association of America, Inc., summed up the opposition as follows:

"The problem before the Commission is reduced to the insignificant part of that less-than-two-per-cent portion of interstate traffic handled by common carrier trucks.

"The record is radiant with testimony of shippers commending the service of the motor trucks and vigorously opposing regulation. They testified that they were entirely satisfied with present conditions and knew nothing that would require truck regulation; and were earnestly insistent that regulation would result in depriving them of a method of transportation that fits their needs which cannot be met by the railroads.

"The motor truck operators themselves are not demanding regulation; shippers are not demanding regulation; the public is not demanding regulation. Then why should this Commission recommend regulation? The National Industrial

Traffic League testified that the motor truck was a most useful transportation agency for shippers, and this new method of transportation should be allowed to develop along natural economic lines. In fact, shippers, almost without exception, were in unison in advocating that motor trucks be allowed to develop naturally without constrictive regulation.

"It is evident of record that no useful purpose will be served by regulation and that any such regulation as is proposed would entirely destroy the flexibility and usefulness of motor truck transportation and deprive the shippers of a method of transportation which is

REPRESENTING the National Furniture Warehousemen's Association at the I. C. C. hearing on motor vehicle regulation were Arthur A. Leonard, Detroit, chairman of the National's special committee on this subject, and Henry Reimers, Chicago, the association's executive secretary.

Mr. Reimers, speaking a few days later at the February meeting of the New York Furniture Warehousemen's Association, expressed opinion that the I. C. C. would recommend to Congress that interstate bus traffic be regulated but that no such recommendation would be made regarding truck traffic. Mr. Reimers believed that further facts and information regarding truck transport would be compiled before Federal truck regulation would be made effective but that eventually such regulation would come—perhaps several years from now.

rendering them dependable service which peculiarly and completely meets their needs."

The Motor Truck Club of Massachusetts, Inc., through its attorney, LaRue Brown, emphasized the difference between bus and truck traffic, calling the grouping of the two together "the fundamental error" of Examiner Flynn's report. He said, in concluding his argument:

"When evils appear, when the business is so far stabilized that an intelligent forecast can be made for the future, when the traffic capable of effective regulation becomes of substantial size, it will be time to discuss the matter. In the meantime it is ironic for the examiner to say that it is too early to attempt regulation by a rigid law and then to recommend legislation which is designed to

control in every detail every step of motor truck operation.

"It should be recognized that confusion results from an attempt to deal with motor trucks and motor coaches as if they presented the same or even a similar problem. The regular carriage of passengers between centers on schedule may be subjected to intelligent and efficient regulation. A service whose chief value depends upon indefinite variation to meet special demands at special times for carriage between constantly varying points of origin and delivery presents a wholly different problem. The first step in considering this regulation should be to recognize this difference and wholly to divorce the two matters."

A. J. Brosseau, vice-president of the National Automobile Chamber of Commerce (the truck manufacturers' organization), outlined that organization's objections to the proposed regulation as follows:

1. The bus and truck business presents different problems and should be treated separately.

2. Less than 2 per cent. of the motor truck business is in interstate commerce, and accordingly action of the Commission would not have any materially helpful effect for the railroads.

3. Evidence in the record does not disclose demand on the part of either the general public or the shippers for the regulation of the motor truck as a common carrier in interstate commerce.

4. The only practical result would be an increased cost to the public, which includes not only those who operate trucks but those who are served by them.

"The conclusions of the examiner are based on the assumption that the truck is a common carrier comparable to the rail carrier," Mr. Brosseau said. "The facts developed by the hearings are completely at variance with this conclusion. Enforce railroad regulation upon the truck and immediately the flexibility of operation, which is its chief contribution to the public, must be lost."

Declaring that the Commission's examiner had recommended "a complicated, unworkable plan of regulation for this infant utility," Harold S. Shertz of Philadelphia, representing the Pennsylvania Motor Truck Association and other associations in the vicinity, attacked the proposal that State commissions, singly or jointly, have original jurisdiction in the regulation of truck traffic with appeal to the Interstate Commerce Commission. He said in part:

"We will pass the doubtful legality of the right of many State commissioners to serve as both State and Federal officers and of the authority of State commissions as such to exercise the authority of a Federal agent.

"We will apply it in a practical way.

"A hearing and record is made before one commission on which that commission will decide whether the application should or should not be granted. At the hearing before the next commission both sides will bolster up their case and an entirely different record will be made. The two commissions may reach different conclusions. Each may be right because each has decided on the record before it. On the appeal to you it is not clear how you would work out a composite record.

"The law underlying the jurisdiction of each State commission may be different.

"To illustrate by that which confronts those whom I here represent:

"In New Jersey the consent of the community in which you desire to pick up and discharge passengers is a prerequisite to an application for a certificate to the State Utility Board. In Pennsylvania it is not. Hence rather than the commission deciding on the necessity or convenience of the interstate operation, it may be a local council.

"McDonald Exhibit No. 395 demonstrated that, at the time it was filed, but 36 State commissions had authority to issue certificates for bus transportation and only 29 as to truck transportation.

"This is important both in demonstrating the imposition of regulation for interstate traffic on States which have not seen fit to adopt it for intrastate traffic, but more important is the demonstration of the burden which will be placed upon the shoulders of your commission in serving for those States.

"In any event the appellate power will overwhelm you. Not one of you commissioners will admit that he has any time on his hands beyond his present duties.

"In none of the discussions in any of the bills that have been introduced has anyone nor has the examiner now the temerity even to whisper the vast sum that would be required for your administration of this legislation.

"This investigation, as well conducted as it has been, has not even scratched the surface as a basis of fact for intelligent understanding of highway transportation upon which you could administer it constructively."

Some of the Opponents

Among those who, on behalf of truck operators, filed exceptions to the proposed report made by Attorney-Examiner Flynn are: Truck Owners' Association of Southern California; San Diego Truck Owners' Association; Motor Truck Club of Massachusetts; Iowa Truckers' Association; Dakota Motor Carriers' Association; Ohio Association of Commercial Haulers; National Automobile Chamber of Commerce; New England Traffic League; Manufacturers Association of Connecticut, Inc.; Merchant Truckmen's Bureau of New York; Motor Truck Association of Indiana; Truck Terminal Association of Indiana, Inc.; Motor Truck Club of Kentucky; the Pennsylvania Motor Truck Association, and the Motor Carriers' Association of California.

Senator E. W. Wakelee of Newark, N. J., vice-president of the New Jersey Public Service Corporation, one of the largest operators of buses in the country, appeared in behalf of bus regulation, but urged that trucks be eliminated from the plan for Federal control.

Mr. Wakelee declared that regulation would result in a constant effort on the part of truck operators to evade control by calling themselves "contract operators," and likewise in a gradual elimination of the "common carrier" trucks because the contract trucks would get all the profitable business, and the unprofitable business would go to the common carrier simply because, as common carriers, they would have to accept the freight offered them. He insisted that the entire control be Federal, eliminating the jurisdiction of State commissions, if there was to be any control.

Others who appeared at the hearing to protest against regulation of trucks include: R. H. Culbertson, Washington (State) Motor Freight Association; Frank Schmidt, Ohio Association of Commercial Haulers, who declared that the Ohio truck law is ineffective because it cannot be enforced; Tom Snyder, representing Indiana and Kentucky truck operators, and T. A. Horrocks, secretary of the Minnesota Commercial Truck Owners' Association.

The objections presented by the Ohio Association of Commercial Haulers were

based on five years of experience in operation under regulation "similar to that proposed and recommended by the Attorney-Examiner," it was explained to the Commission. The Ohio haulers' position was further set down:

"Assuming that public regulation of any public necessity is for the protection of the public against an abuse of any public necessity, we feel that the recommendations of the examiner are contrary to the evidence as shown in the record. At no time or place throughout the entire investigation did the evidence and testimony on the part of the public show any need for desire for the regulation of the common carrier truck in interstate commerce. The fact is as disclosed by the record that the public is overwhelmingly opposed to such regulation.

"We find that the only demand for regulation of the truck, if any, comes from the rail carriers and is based on a misapprehension of the motor trucking industry with respect to its competition with existing rail service and its relation to the public necessities and requirements.

"It has become a recognized fact that there is no competition between truck and rail transportation due to the distinct difference in the character of the service performed. The railroad is the wholesaler of transportation while the truck with its flexibility of service is the retailer and has come to be looked upon in the interchange of products between industries located within the economic field of truck service in much the same manner as the factory conveyor which feeds the machine of an industry from hand to mouth, so to speak.

"Any attempt to consider the truck in competition to rail service or to compare the two distinctly different services can only result in destroying the flexibility of the motor vehicle. Regulation of the form proposed will undoubtedly restrict the free movement of the truck and greatly reduce and limit its possibilities to serve the public. The truck is capable of operating and furnishing a service whenever there is a road of some kind or ground of some kind over which it may pass. The proposed regulation virtually places the truck on a par of rails, thereby completely destroying the service which it is capable of performing."

Here Is Examiner Flynn's Report Summarized

By GEORGE H. MANNING

Distribution and Warehousing's
Washington Bureau
1163 National Press Building.

RECOMMENDATIONS for the Federal regulation of motor truck transport are now before the Interstate Commerce Commission after a year and a half of investigation of motor shipping.

Leo. J. Flynn, attorney-examiner of the Commission, who conducted the in-

vestigation, has submitted his report and it is now being considered by the full Commission. Should the conclusions of the examiner be approved by the Commission, they will be submitted to Congress as a guide in framing legislation.

Examiner Flynn's recommendations apply to both buses and trucks, and would set up a system of regulation like that now imposed on steam and

electric railways, but with jurisdiction divided between the Interstate Commerce Commission and the various State utilities commissions. All truck lines operating as common carriers in interstate commerce would be required to secure certificates of public convenience and necessity before establishing or extending routes, to post indemnity bonds, and to publish their schedules and rates.

Although motor carriers are exempt

from the interstate commerce Act proper, Examiner Flynn reports that they are governed by several other Acts applying to interstate commerce via rail lines.

Motor truck operations are already subject to the bill of lading Act, he says, although few truck lines comply with its provisions. Trucks are also bound by the transport of explosives Act, and in their relations with other companies and with subsidiaries are subject to all restrictions placed upon railroads by the Clayton anti-trust Act.

Would Omit Contract Carriers

Contract carriers, in Mr. Flynn's opinion, should not be subjected to control at this time and should be omitted from regulations designed for common carriers by motor. Any regulation of motor transport should be simple at first, so that it can be changed to meet the growth of the industry, and should recognize the localized nature of the greater part of truck operations.

Examiner Flynn's report, containing more than 30,000 words, is a thorough study of the history and present development of motor bus and truck operations, the present position of the industry, its possible future development, its place in modern economic life, its effect on other methods of transportation, the reasons why control should be exercised, the legality of such control, its problems, and the practical application of control measures.

In making his recommendations, Examiner Flynn says:

"The public interest and national welfare are fundamental in legislation affecting transportation and in the administration of regulatory laws. When there is conflict between public interest and private interest, the former is paramount and the latter must give way.

"Railroads have no more economic right to any traffic than had the canals and stage coaches which opposed the construction of the railways on the ground that they would take traffic already being carried on the canals and highways. But economically wasteful rivalries which marked the past should be avoided, for, in the end, the public must pay.

"It is not a question of whether any particular transportation agency shall prevail or be given advantage. Ruthless, inexorable economic laws will eventually determine that, no matter what attempts may be made to impede or interfere with natural progress. The readjustment or readaptation of transportation facilities should be made with the least possible economic waste. Regulatory legislation and administration should be with the single purpose of improving transportation.

"It is not always easy to determine what is the public interest. With reference to the present problem induced by the rapid growth of motor transport it may be difficult to determine where the public interest lies if motor transport draws traffic to such an extent from existing railway or electric lines that the earnings of these lines are so im-

paired that they can no longer adequately serve the public. The public is interested if there should arise a question as to which agency should continue to exist when by reason of the sparseness of traffic both can not do so. The public is interested in the extent and manner in which motor vehicles for hire use the highways, particularly, as related to the primary use of such highways by the public in private automobiles.

"The vital factor in regulatory control over motor carriers is the certificate or permit issued by the regulatory body for a specified motor operation after finding that it is in the interest of 'public convenience and necessity.'

"Certificates of convenience and necessity or permits to operate common carrier motor vehicles are now required in 41 States for carrying passengers and in 39 States for carrying goods.

"Under section 1, paragraph 18, of the interstate commerce Act, a certificate of convenience and necessity is required of carriers under the jurisdiction of the Interstate Commerce Commission. No carrier is now permitted to undertake the extension of its line of railroad or the construction of a new line of railroad or to acquire or operate a line of railroad or extension or to abandon any portion of its line of railroad or operation thereof unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity warrant such action.

"Certificates of convenience and necessity are required not so much with a view to safety or to the conservation of the highways but primarily for the purpose of protecting the public interest by excluding unnecessary and wasteful competition and by determining what persons or companies are best able to serve the public. The requirement that a certificate of convenience and necessity shall be a prerequisite to motor vehicle operation prevents duplication and unnecessary service where existing facilities are sufficient to meet the transportation needs of the public; it protects the public by preventing irresponsible operations; and gives to certificated carriers some protection against unnecessary competition.

"Whether or not a certificate shall be issued for a motor carrier operation often presents a difficult economic problem. In some States an existing transportation agency or agencies in the territory to be served by the applicant for a certificate must be given consideration in determining the question of convenience and necessity; in other States no consideration is given to existing facilities.

To Serve Public Interest

"The primary object of regulatory laws is not to establish a monopoly or guarantee the security of investments in public service corporations but to serve the interests of the public. In considering the question of whether a new transportation service should be permitted in competition with an established service, it is, however, economically

sound and in the public interest to require that available transportation facilities be taken into consideration, as well as the effect the proposed new service would have on the existing transportation agency or agencies, the continued operation of which is important to the territory served. No preference as a matter of right or law should be given to an established agency where it is a question of furnishing a different kind of service. In determining the matter the regulatory body can and should give reasonable consideration to the financial responsibility, organization, and experience of an existing agency and its ability to supply adequate and permanent service.

Protection for Pioneers

"It is only fair that the interests of motor carrier operators who have pioneered and have operated their property successfully should be protected and the fact that an applicant for a certificate was in *bona fide* operation on March 2, 1925, and continuously since then and at the time application is made, should be considered *prima facie* evidence as to the convenience and necessity of such operation. Prior to that date interstate operators, in general, had submitted to the regulation exercised by the States and it is a fair presumption that such operations were in good faith. In view of the large number of interstate operations which sprang up in all sections of the country within a short time after that date, no such presumption can be fairly indulged in with respect to operations instituted at later dates.

"In determining the question of whether a certificate should be granted, consideration should be given to the likelihood that the proposed service would be adequate and continuous.

"As a condition to the exercise of rights granted in a certificate of convenience and necessity the holder of the same should be required to undertake to furnish such additional service on the route covered by the certificate as the needs of the public might demand in the future.

"In 39 States common carriers of passengers by motor vehicle, and in 29 States such carriers of property, are required to carry liability insurance. Two States require cargo insurance. The requirements as to liability insurance and indemnity vary somewhat.

"One of the prerequisites of operation in any regulation of motor carriers should be a requirement that a policy of liability insurance or an indemnity bond sufficient in amount to insure financial responsibility of the operator should be filed with the regulatory authorities.

"Some, opposed to the regulation of interstate motor carrier transportation at this time, refer to the long period during which railroads were not under regulation, and, pointing out that motor carrier transportation has been in existence only a comparatively short time, urge that so far as it is employed in interstate commerce it should be allowed to continue to develop without any regulatory restrictions whatever. Although,

measured in years, motor transportation may be a young industry, it has established itself as an important, permanent, and growing factor in the nation's transportation system. According to an estimate of the Bureau of Public Roads the highway transportation system and equipment, including motor vehicles as well as the roads, comprises an investment of approximately \$26,500,000,000. The investment in road and equipment (book value) of the steam railroads of the United States, not including switching and terminal companies, was shown by their reports to the Commission as \$23,049,165,993, as of Dec. 31, 1926.

"There are few persons, if any, familiar with the history of railroad transportation, and particularly as to its economic aspects, that will not say that the public and the railroad companies would have fared better if railway regulation had come much earlier than it did.

A Question

"If it is not burdensome or unduly restrictive to have the intrastate transportation of passengers in 44 States, and of property in 33 States, by common carrier motor vehicles over the public highways conducted under regulation by State authorities, why should it be burdensome or unduly restrictive for the relatively small portion of common carrier motor-hauled commerce that moves interstate to be also under regulation similar to that prevailing in most of the States in connection with intrastate commerce? It is not consistent with sound public policy that the public, primarily entitled to use the highways, should be protected against undue and unnecessary use of such highways by common carrier motor vehicles engaged in intrastate commerce, while unlimited and unrestricted use of them may be made by common carrier motor vehicles operating in interstate commerce. Wear and damage to the highways and the hazards of transportation are the same whether a motor vehicle of a certain type is moving in interstate or in intrastate commerce.

"With no law regulating interstate commerce carried over the public highways, such commerce can now be, and is, carried on by as many as desire regardless of financial responsibility and free from the slightest control or regulation as to routes, fares, schedules, public convenience and necessity, and comfort or safety of passengers. Operators engaged in such business are not required to report to any authority and, save for the police regulations of States and municipalities, are subject to none. They may operate at their pleasure and may cease operation temporarily or permanently as they choose. There is nothing to prevent them from discriminating unduly and competing unfairly. The public using such lines have no governmental agency of any description to which they may appeal in the matter of rates, routes, schedules or safety in use of the public highways.

"Highways belong to the public and are primarily for the use of the public in the usual and ordinary way. Their

use for purposes of gain is unusual and extraordinary, and generally, at least, such use may be conditioned as legislators deem proper. The public, through Congress, should say in what manner and under what conditions interstate commerce carried by common carrier motor vehicles on the public highways may be conducted.

"Carriers now subject to the interstate commerce Act (railroads) should be authorized by law to engage in motor carrier operations, either directly or through subsidiaries, upon obtaining certificate of convenience and necessity as provided in such law.

"If motor vehicle operations conducted by carriers subject to the Act are placed under regulation, it is only fair that independently operated common carrier motor vehicles engaged in interstate commerce should also be under regulation.

"Congress has the power to regulate interstate commerce by private carrier or contract carrier. It should be made clear, however, that no regulation of motor trucks operated by the owner incidentally to the conduct of his business is intended.

"As to contract carriers, it does not seem advisable to attempt the regulation of commerce carried by this class of operator at this time when the initial step into an entirely new field of regulation of interstate commerce is to be taken. The operations of contract carriers are, to a great extent, highly specialized, and it would be extremely difficult to fix charges for such carriers or to confine them to fixed routes without impairing the usefulness of their service, which requires the greatest flexibility. When such operations have become more standardized, and there has been time for the working of economic laws to assist in the solution of this phase of the problem, some form of regulation for carriers of this type may be advisable or necessary. There is no urgent demand or necessity in the public interest for their regulation at this time.

Simplicity First

"Regulation of common carrier motor vehicles operating in interstate commerce should, at first, be simple. The problem is a comparatively new one and it is too early to attempt the regulation of such carriers by a rigid law. Regulation should go no further than is fairly necessary to protect the public interest and improve transportation.

"The transportation of passengers and property by motor vehicle is at present a strictly local proposition, the character of which is not changed by the mere incident of crossing a State boundary line.

"In the course of the hearings the administration of State regulatory laws by State commissions was commended by shippers and motor vehicle operators generally, as was also the regulation they exercised over interstate motor vehicle operations during the period while they assumed jurisdiction over such operations. If interstate commerce by common carrier motor vehicles is to

be regulated at this time, original jurisdiction in the administration of such regulatory laws should, so far as possible without contravention of the commerce clause of the Federal Constitution, be vested in State regulatory bodies or officials, with the Interstate Commerce Commission acting as an appellate tribunal."

The power of Congress to regulate the instrumentalities or agencies of transport grows out of its power to regulate commerce and is not limited to commerce by a common carrier, but extends to all commerce, whether by common carrier, private carrier, or by an individual for his own purposes, and Congress may regulate interstate commerce by any proper and constitutional means, says Mr. Flynn, and he cites many Supreme Court decisions to prove this and that State officers, unless prohibited by the constitution or laws of the State, may be authorized by Federal statutes to perform duties conferred by a Federal statute, but they can not be compelled to perform such duties. He continues:

State Jurisdiction

"Congress undoubtedly has the right to delegate to State agencies the administration of Federal statutes, and it seems reasonably free from doubt that it can do so in the administration of laws regulating interstate commerce, particularly if provision is made for an appeal from the action of such agencies to a Federal tribunal.

"In view of the predominantly local character of motor transportation, Congress should vest in State regulatory bodies original jurisdiction in the regulation of interstate commerce by common carrier motor vehicles operating on the public highways within general lines marked out by the statute. In general, the plan of administration, in respect to the designation of the boards and the formation of joint boards composed of representatives of two or more State boards or of the Interstate Commerce Commission, whenever it becomes necessary for it to act for a State board, along the lines set forth in the Cummins-Parker and Denison bills, should be followed. Right of appeal from the action of any State board or joint board to the Interstate Commerce Commission should be preserved.

"A certificate of convenience and necessity, and the filing of a policy of public liability insurance or indemnity bond which will give assurance that there is adequate protection for the responsibility assumed in the transportation of passengers or property by motor carriers, should be prerequisites to common carrier operation.

"In the matter of rates, service, accounts, reports, and rules and regulations governing motor vehicle operations and service, wide discretion should be vested in the regulatory authorities. They should have the right to exempt motor vehicle operators from keeping such accounts or making reports where circumstances and the public interest justify such course, as in the case of small operators who are performing a

valuable service in the communities served but who might not be able to continue operations on account of the labor and expense necessary to comply with such regulation. They should also be authorized to exempt small operators or others from publishing rates, fares, or charges where it is deemed that circumstances of the particular case and public interest warrant such action.

The Transportation Act

"Section 500 of transportation Act, 1920, declares it to be the policy of Congress to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and 'to foster and preserve in full vigor both rail and water transportation.' This section should be amended by declaring it to be the policy to foster and preserve in full vigor not only rail and water transportation, but also motor vehicle transportation.

"There should be a wise and far-sighted coordination of all existing transportation agencies—land, water, and air. The nation's transportation machine must be kept at its highest efficiency so as to advance the prosperity of the country and promote the happiness and welfare of its citizens in peace and in order that it may be prepared to respond as a tremendous factor in the national defense in time of war.

"It is believed that the record warrants the following conclusions:

"(1) Transportation of passengers and property by motor vehicles operating over the public highways is a well established, useful, and permanent factor in the nation's transportation system.

"(2) Steam railroads and electric railways are engaging more and more extensively, either directly or through subsidiaries, in motor vehicle transportation as supplementary to their rail operations to replace train operations, or as feeders or distributing agencies.

"(3) Carriers now subject to the Act should be authorized by law to engage in motor vehicle service over the public highways, directly or through subsidiaries, upon obtaining a certificate of convenience and necessity as provided in such law.

"(4) The revenues, expenses, and investments and other statistics incident to motor vehicle operations by carriers now subject to the Act, either directly or through subsidiaries, should be required to be regularly reported to the Commission and be declared by law as coming within the provisions of section 15a of the interstate commerce Act in determining net railway operating income under the provisions of that Act.

"(5) A more detailed classification of accounts adapted to the peculiar problems arising from motor carrier operations by carriers subject to the interstate commerce Act, directly or through subsidiaries, should be adopted.

"(6) Carriers subject to the interstate commerce Act and their motor carrier operations should be authorized by law to participate in joint rates and

through routes with common carrier motor bus and motor truck lines holding certificates of convenience and necessity from some regulatory body in substantially the same manner as they are now authorized to do with carriers now subject to the Act.

"(7) The problem of regulating motor vehicle operations in interstate commerce is a comparatively new one, and it is too early to attempt regulation by a rigid law. It seems wise, however, to lay down a few principles governing such operations at this time.

"(8) The law should provide for the regulation of interstate commerce by motor vehicles operated as common carriers of passengers and property over public highways.

"(9) Regulation should not include motor vehicles operated by the owners incidentally to the conduct of their business.

"(10) The motor vehicle operations of so-called 'contract carriers' are not sufficiently standardized to make the regulation of such operations in interstate commerce advisable at this time.

"(11) Motor carriers operating in interstate commerce as common carriers should be classified: (a) those operating between fixed termini or over a regular route; (b) all other common carriers.

"(12) Original jurisdiction in the administration of regulation over motor vehicles operating in interstate or foreign commerce as common carriers over the public highways should be vested in such State regulatory bodies as notify the Interstate Commerce Commission that they will act. The Interstate Commerce Commission should be delegated to act with original jurisdiction whenever a State board fails to notify the Commission of its acceptance of the delegation of authority to act under the Federal statute, and until such notice is received. Joint boards composed of two or more State boards, or representatives of such State boards and of the Interstate Commerce Commission when acting for a State board, should be authorized to act where the commerce is carried on in two or more States.

"(13) The right of any party to appeal from the action of a State board or a joint board to the Commission should be preserved.

As to Common Carriers

"(14) Legislation for the regulation of motor vehicles operating as common carriers over the public highways should provide as prerequisites to operation: (a) certificate of convenience and necessity, (b) liability insurance or indemnity bond or satisfactory assurance of financial responsibility which will insure adequate protection for the responsibility assumed in the transportation of passengers or property.

"(15) The law should provide that in determining whether public convenience and necessity requires the granting of a certificate to operate, reasonable consideration, among other pertinent matters, should be given to available transportation service by any other existing

transportation agency operating in the same territory, and to the effect which the proposed service may have upon any such existing transportation agency, the continued operation of which is important to the community served by it.

"(16) The law should provide that the fact that an applicant for a certificate of convenience and necessity was in *bona fide* operation on March 2, 1925, and continuously since then and at the time application is made, shall be considered *prima facie* evidence as to the convenience and necessity of such operation.

"(17) Transfer of certificates of convenience and necessity should be permitted with the approval of the issuing board. Revocation of a certificate should only be permitted under circumstances of compelling public necessity.

Complaint Procedure

"(18) As a condition to the exercise of rights granted with a certificate of convenience and necessity, the holder of the same should be required to undertake to furnish such additional service as the needs of the public might demand in the future.

"(19) The law should require that rates be just, reasonable, not unjustly discriminatory, and not unduly preferential or unduly prejudicial.

"(20) Provision should be made for the filing of complaints against rates, practices, or service of motor vehicles. The procedure upon hearing of such complaints should be substantially the same as the procedure at hearings upon complaints against steam railroads or electric railways.

"(21) The regulatory boards should be vested with wide discretion in the administration of the law, particularly with respect to rates, fares, and charges, accounting and filing reports; and in the making of rules and regulations for the regulation of motor vehicle operations and service.

"(22) Broad discretionary powers should be given to the regulatory boards in the matter of exempting interstate motor vehicle operations from any of the provisions of the law if such exemption would be in the public interest, as in the case of small operators who are giving transportation service important to the communities served, but who might be unable to continue operations if required to comply with all regulatory provisions on account of the additional expense involved.

"(23) Brokerage in transportation of passengers for hire in interstate commerce by motor vehicles operated by a person or company not holding a certificate of convenience and necessity from a regulatory body covering such service should be prohibited.

"(24) The issuance, interchange, or exchange of free passes and free transportation by common carrier motor carriers should be prohibited, except in substantially the same manner and to the same extent as provided for in the case of common carriers now subject to the interstate commerce Act.

"(25) Federal legislation for the regulation of commerce by motor vehicles

should include the transportation of passengers or property to or from a foreign country, but only so far as such transportation takes place within the United States, in substantially the same manner and to the same extent as interstate commerce.

"(26) The transportation of explosives and inflammables by motor vehicles in interstate or foreign commerce is prohibited by the transportation of explosives Act, except and in the manner provided therein.

Land, Water and Air

"(27) The provisions of the bills of lading Act are applicable to motor carriers operating in interstate or foreign commerce.

"(28) The provisions of the Clayton anti-trust Act relating to the business and transactions of common carriers are applicable to the business and transactions of motor carriers operating as common carriers in interstate or foreign commerce.

"(29) Public policy demands the fostering and preserving in full vigor motor vehicle transportation as well as rail and water transportation. Section 500 of transportation Act, 1920, should be amended to include motor vehicle transportation in the declaration of policy there made.

"(30) There should be a wise, far-sighted, and definite coordination of all existing transportation agencies—land, water, and air."

The history of the investigation which was conducted jointly by Mr. Flynn and Commissioner John J. Esch is described by the examiner, and he discloses some interesting figures and facts about the growth of truck shipping. He adds:

"Truck operations fall into one of three general classes: (1) where the truck is owned by the operator and is used in the transportation of his own goods or products in the conduct of his business—the *owner-operated* truck; (2) the so-called '*contract carrier*' who enters into special agreements for transportation with one or more shippers but does not hold himself out to haul for the public generally; (3) the *common-carrier truck* which (a) operates on schedule over a regular route or between fixed termini and usually at published rates from which it may not depart, and (b) the so-called '*anywhere for hire*' carrier.

"In the first class are the trucks owned and operated by manufacturers, merchants, jobbers, farmers, and others in the conduct of their business. There is no suggestion from any source that motor trucks of this class engaged in the transportation of interstate commerce should be placed under Federal regulation.

"A contract carrier may haul for one shipper today over a route on which there is a regularly scheduled common carrier truck line. Tomorrow he may haul for another shipper in a different direction and over a route not served by any common carrier truck line. In addition to transportation, the contract carrier frequently furnishes certain acces-

sorial services, such as moving furniture from one city and setting it up in another city. The intercity movement of furniture by motor truck is increasing in volume and constitutes some of the longest truck hauls. One trucking association has moved the household effects of over 650 army officers. Heavy hauling often requires special equipment and ordinarily cannot be handled by trucks used in regular common carrier service. It is a special service usually performed by contract carriers.

"It is not infrequent that emergency shipments such as rushing a piece of machinery to replace broken parts of municipal lighting or water plants or industrial plants have been made by contract carriers in order to keep the plants in operation. Funerals by motor vehicle from one city to another are not unusual.

"In California fruits and vegetables mature in different sections at different seasons and contract truck operators move from one section to another as the season advances. As the movement in any one section occupies but a few weeks or months there is a demand for heavy additional truck service during the harvest which is not necessary during the rest of the year and this peak demand for quick transportation is supplied by contract carriers who are not held to fixed routes. These are a few of the many situations instanced to show the necessity for permitting the greatest flexibility in the movement of motor trucks operated by contract carriers.

"Operators of common carrier trucks operating over regular routes between fixed termini on regular schedules and often on rates fixed by some regulatory body complain that contract carriers not being bound by schedules, rates, or routes, are able to cut rates particularly where they are looking for return loads; that they can take business when it is profitable to do so, leaving the common carrier truck to haul the business when conditions are not so favorable.

"Some shippers expressed the opinion that if regulation of trucks added to the cost of operation to such an extent that it would be necessary to increase the rates of transportation, they would purchase and operate their own trucks. Opinion also was expressed that if the common carrier trucks were regulated with their rates and routes fixed from which no departure could be made, while contract carriers were left unregulated and free to make such charge as they saw fit and transport goods over any route at any time, many common carrier operators would become contract carriers.

Three Classes of Transport

"Motor truck transportation can be divided into three general classes of service which are:

"(1) Local distribution of commodities. This service constitutes the bulk of the motor truck tonnage movement, and is primarily the distribution of goods within cities and short-haul areas.

"(2) Organized motor truck transportation supplementing existing rail

and water service in the following ways: (a) extension of freight service by motor truck into areas without rail service; (b) substitution of motor truck service for rail operation on unprofitable branch lines; and (c) combination rail and truck service for short-haul less-than-carload freight.

"(3) Long-haul transportation of a limited class of special commodities. The volume of long-haul tonnage is comparatively small. This movement depends on speed of delivery or some special characteristic of the commodity shipper, such as household goods.

Truck's Economic Sphere

"The average haul by motor truck varies in different sections of the country—the more sparsely settled regions having the longest hauls.

"Although other factors besides length of haul influence the proportions of total tonnage hauled by motor truck and rail lines, respectively operating in the same territory, there is a tendency for the proportion of motor truck tonnage to decrease with increase in distance.

"The economic sphere of truck hauls depends, among other considerations, on the character of the commodity, whether perishable or not, value of time, and whether or not there is competitive service. One large operator in Indiana expressed the opinion that the reduction in ton-mile cost stopped at a point between 50 and 60 miles.

"Few complaints were registered against the service rendered by either contract carrier or common carrier trucks. Motor truck service for short hauls was generally commended by shippers.

"Shippers in the Chicago area explained their use of motor trucks on the basis of: economy, 45 per cent; service and dependability, 42 per cent; special equipment, 7 per cent; advertising, 6 per cent.

"There is even less uniformity in rates and charges for transportation of goods by motor truck than there is in the fares charged for the transportation of passengers by motor bus. It is impossible to make a fair comparison of truck rates with rail rates unless service, time, packing requirements, door-to-door delivery, emergency conditions, and other elements are considered.

"Elements considered in fixing truck rates are distance shipment is to be hauled, operating conditions, labor involved in handling, number of pickups or deliveries made, quantity offered at one time, regularity of shipments, weight, length or bulk of articles carried, and whether there is door-to-door delivery, or only terminal-to-terminal delivery. Ability to secure return loads is also an important item. Truck rates are quoted by quantity or weight, by distance or zone, or by a combination of these factors.

"Rates of contract operators are influenced by the emergency character of a particular job and also by any accessory service rendered outside of the mere

(Concluded on page 64)

Public Warehousing and Economic Distribution

Number 36

Do Your Branches Cost More Than 60 Cents a Square Foot?

By H. A. HARING

IN the scrutiny of a corporation's overhead one of the costs that will often profit by examination is that of rental (or similar expense) of branches. It is one of the "un-accented" costs, to use a phrase coined by Mr. Hoover—so generally taken for granted that its importance is overlooked; and, however great the need to cut costs of distribution, the management is apt to pass over this item without giving it its due break-down. Too often it is the assumption that this cost cannot be lowered without loss of prestige in the business world.

The branch agency, with its spot stock, is necessary for national coverage of the market. With the growth of population and buying power, the number of such branches is multiplying. Every indication is that this development will continue.

With this increase in branches, corporations find themselves burdened more and more heavily with irreducible expense items—items, too, that possess no flexibility and that bear little relation to volume of sales.

Chief of these monthly expenses is that of the rental paid for agency storage space for the goods; the necessary reconditioning of merchandise in the field; the shipping and handling of new wares; and the proper care of returns and repossessions. If the corporation owns the branch's building, instead of leasing from a landlord, the cost must be reckoned with under accounting titles of upkeep, taxes, depreciation and the like. The difference of words is of no consequence, for in any

instance, the total outgo of expense must be laid against cost of distributing the goods.

It must, at the outset, be stated that the corporation with large volume at a marketing center can afford to own its building. As always in distribution, the corporation with a long line of products or with big volume can do for itself every needful thing for less cost than it can hire an outsider to do it.

The consideration of agency rentals, for our present purpose, therefore, will be restricted to such concerns as are paying rentals (or owning) for storage of the goods at spots distant from the factory, whether the "storeroom" be a single room or a four-story building.

To define more accurately the type of concern in our view, it might be said that any concern might wisely investigate into this question whose monthly costs for agency storage are less than \$2,000 or \$2,500.

Statistical studies show rather conclusively that costs of distribution are heaviest (in proportion to volume of sales) for concerns of this size—namely, those whose costs lie under \$30,000 a year in any single market. It is probably true that the greatest wastes come to concerns with monthly costs under \$500, for the reason that it is almost impossible for a firm to maintain a storeroom for much less than \$6,000 a year.

In order to look at the problem in a way that will apply to small and large concerns alike, we shall consider it from the angle of whether branches cost more, or less, than 60 cents per square foot per year for rental.

Imperceptible Growth of Costs

THE early sales agencies carried their stocks in a storeroom on the same premises as the selling headquarters. This is a natural procedure. The same method is apt to prevail whenever an agency is established at a new center; beginnings are modest, personnel is limited, volume is small. Should the agency grow, the usual development is to add more space for storing and handling the goods; a room becomes a floor; one floor is shortly four. The location which for a single floor seemed ideal gets to be, imperceptibly but none the

less actually, most uneconomical for the agency's purpose. The upper stories of the building are likely to be poorly designed for elevating the packing cases; stairways and partitions were designed for wholly different purposes; no factory "routing" of the work is possible merely because the structure of the building forbids "straight-line" movement from receiving platform to shipping sill.

Everywhere a somewhat similar progression occurs. The lease is extended so as to warrant extensive alterations of the building at the expense of the

manufacturer-tenant; this outlay follows; and, as further expansion becomes necessary, more space is leased in an adjoining building, with further capital expenditures for alterations. No matter how great may be the pressure to abandon the location entirely, reluctance is always encountered from the agency manager (a salesman, not a shipping expert), who magnifies the sales value of having identified his product with a certain street number, and whose mind is concentrated on sales volume rather than on the elimination of avoidable overhead.

Public Warehousing and Economic Distribution

Sales agencies, moreover, in all cities are gravitating more and more toward recognized mercantile districts. Tools, like the proverbial birds of a feather, flock to a section of the city where other tools and machinery are found; musical instruments and automobiles are to be found in "rows"; wholesalers of drugs and brokers of canned goods cast shadows upon each other; even in cities like New York and Chicago, every trade seems to have a "center" or a "district."

Examples abound. In Chicago, what is considered the greatest dry goods wholesale market in the United States, doing half a billion dollars of business each year, is virtually compressed within an area of four blocks by eight. The Chicago wholesale millinery district is even more highly concentrated, with practically all the houses located within a radius of four city blocks. In Cleveland, virtually all the wholesaling and distributing houses are located in the area bounded by West Sixth and West Ninth Streets; a similar situation obtains at Buffalo, with the area centering about Seneca Street, Washington Street and Michigan Avenue. In New York the leather district is on the lower East Side and the shoe district in the Reade-Duane Street region.

For concentration of this sort there are several reasons. In the first place, there is the matter of convenience for customers. Both city and out-of-town buyers are thus enabled to cover the entire market in a short period of time. Comparison of price and goods is made possible, the importance of this feature varying with different trades. A second advantage of market concentration is that it facilitates picking up "shorts" or "out goods" (goods needed to fill an order of which the seller is temporarily out of stock). For a third consideration, such a grouping of wholesale and supply houses is of convenience to traveling representatives of mills and factories. Salesmen are less likely to fail to make a call when customers are closely accessible. Thus absence from the central district may mean that salesmen will overlook or neglect a house; in particular, a broker of distress goods prefers to offer it to some one whose office is nearby rather than to one in a remote district.

Trade congestion is a matter beyond the control of any one manufacturer. It is probably the most economical method for any industry—a feeling rather proved by the fact that the condition prevails in all cities and with all industries. Whatever be the cause, it is certain that with this congestion there comes a competition for desirable frontages. Mounting rents follow. The result is that the imperceptible growth of agency overhead seems to be endless.

Yet, for many corporations thus penalized, escape is not difficult.

The way lies through recourse to the public warehouse—not the forbidding type of warehouse that tries to utilize some abandoned brewery or worthless car-barn, but the newer sort of warehouses, with modern facilities, that are fast dotting our commercial map. The changes that have come into public warehouse construction and location within seven or eight years offer a chance to reduce agency overhead to any manufacturer whose branch is of moderate size.

Why the Warehouse Is Less Costly

WHEN warehouses are thus used, the manufacturer, as a rule, makes a lease of a given warehouse space, within which area his own employees handle his goods in the stockroom. The making up of shipments, the necessary conditioning of goods, breaking factory packages and assembling broken lots for outgoing movement—and similar more technical or specialized matters—are performed by the manufacturers' employees. Details of arrangement between manufacturer and warehouse show wide variation, but, in general, the warehouse furnishes the space and heats it, the warehouse provides loading and unloading facilities both for railroad cars and trucks, the warehouse assumes fire patrol and watchman service, operates the elevators and does the janitor work, the warehouse usually attends to all details both for incoming and for outgoing merchandise up to the partition that marks off the leased floor or portion of a floor.

All this the public warehouse can do, usually, for less cost than the manufacturer can do for himself—remembering that we are speaking of concerns without huge volume and without great diversity of lines.

The principal reason for this lesser cost is that the public warehouse does not stand on a street amid the rush of buying and selling. It pays no fancy price for its land because it does not require street frontages of retail nature. The warehouse's conception of location is that of the receiving room and shipping department of the factory: the back door. The thing least desired by a warehouse is to quarrel with trolley cars or with pedestrians for a right of way on the street. The warehouse, on the contrary, seeks out a location (1) close to the business center, but (2) always off the congested arteries of traffic.

The ground on which it stands therefore costs less than if it entered the competition for favored locations with imposing frontage. This lower cost unavoidably enters rentals, making them

less, also. That is one element of the lesser expense of utilizing space in a public warehouse; and another reason lies in the type of construction of the building itself. It is designed for stowing away goods, expediting the handling of them into and out of store, for protecting them from fire and vermin. It does not have any of the elements that run up construction costs, such as fancy facing brick, plate glass, marble hallways, brass railings, expensive and showy lobbies, etc. This fact does not mean that a modern warehouse is forbidding in aspect. Its exterior is plain, as a rule, but even warehousemen have learned the value of neatness and conveniences. Yet the warehouse is far from the mode of construction that is necessary for the branch agency on a downtown street.

The public warehouse, in a word, offers the sheer economy of dollars.

This is evidenced by the fact that in all our cities, other than New York, the manufacturer can lease, for flat rental, space at the rate of 50-60 cents per square foot per year. This rate applies to net, not to gross, space, as will be detailed under the sub-heading "Additional Savings."

If the agency's present location costs more than 60 cents per square foot for rental and heat, the parent corporation might well consider moving into a public warehouse.

This recommendation we couch in the word "consider" for the reason that the public warehouse does not fit the needs of every manufacturer. Circumstances, nature of goods method of marketing, and other factors, alter cases; we would not be so rash as to state, as an invariable principle, that the warehouse space would be for every single one the most economical.

Each manufacturer should, therefore, "consider" the public warehouse; which statement means that he should study into its facilities and their bearing on his business.

Yet, in a general way, agency storing with a public warehouse is apt to reduce costs without in any manner crippling service.

Space rental, of this sort, is quite different from "open storing" or the ordinary use of full warehousing services. It is merely a leasing from the warehouse company of a definite space in lieu of renting quarters on a downtown street. In this type of rental the manufacturer merely elects to pay a flat rental under the warehouse roof rather than a roof of his own. The procedure is quite different from that of consigning goods to the warehouseman, on open storage, where the warehouseman assumes full control of the goods for account of the manufacturer. Under the

Public Warehousing and Economic Distribution

proposed arrangement, the manufacturer pays rent on a square foot basis rather than on the package basis of his goods.

For such rental, the normal rates in most cities will not exceed $7\frac{1}{2}$ cents per square foot per month for so small a space as 500 sq. ft.; that rate will become 6 cents, if more than 500 sq. ft. be taken; 5 cents, above 1000 ft.; 4 cents, above 2000 ft., and 3 cents, above 3000 sq. ft.—on a month-to-month basis. Under these rates the warehouseman provides the space and its heat, gives watchman service, and assumes all care of elevators and corridors. The spaces thus rented are partitioned off; only the manufacturer-tenant has access.

Compare this rate with costs for similar accommodations in the ordinary mercantile sections of any city—and the reasonableness of the warehouse rate becomes apparent.

Additional Savings

RENTAL of space with a warehouse applies only to the net space. The tenant does not pay, either in whole or on any prorata basis, for elevator shafts, stairways, hallways and lobbies, or loading platforms. All these lie outside the partitions that mark off the tenants' premises. Quite a contrast, is this condition, with leasing a floor or a four-story building in the business section—where the tenant pays on the gross area within the four walls, measured outside the building!

Any comparison of rental rates, between the two locations, should take into account this feature. Waste spaces of this sort require 25-35 per cent of the gross space within walls. The manufacturer, accordingly, when comparing the two possibilities either should calculate private spaces on the basis of net floor space, not gross, or he should alter the warehouse quotation to the gross basis.

Nor is this the only advantage of leasing warehouse spaces.

When leasing from a warehouse, the tenant is assured of a railroad siding for both incoming and outgoing freight. No warehouse can exist without ample facilities of this sort: they are therefore available to the tenant. Equally true is it that few warehouses can exist without "free switching" within the established limits for the particular city: that matter is threshed out before the warehouse is built. Few branch agencies, of the size we are here considering, enjoy sidings. But every manufacturer, and his traffic department, appreciates the high value of a rail connection. The ability to spot cars on a private siding is alone the source of lesser costs. Trucking is eliminated; delays of unloading vanish.

The warehouse organization, as another matter, offers the tenant a flexible force of men for such tasks. At a quoted price, the warehouse will unload goods for the tenant, and elevate them to the proper floor and deliver them, on hand trucks, within the partitions of the leased space. With outgoing shipments, the reverse process is available. To render such services is a regular part of the warehouseman's function; skilled men are at command when wanted; the cost is named in advance; complete flexibility of facilities is provided—such as is nearly impossible with privately operated agency storing.

Furthermore, when located under a warehouse roof, the agency at all times is in possession of "trap car" and "ferry car" service for L.C.L. shipments to and from the freight stations, the underground connections of such a city as Chicago, or the Columbia Terminals service in such a city as St. Louis, as well as the regular "pick-up" service of the established trucking lines of the city. All these conveniences are in daily use by the warehouse, for its patrons and its tenants, centering about the loading platforms on the ground floor of the building.

All the time, however, within the partitions of the leased space, the tenant is supreme. His own employees handle the stock, condition and assemble and pack and unpack the goods, adjust or repair the merchandise—do everything, in fact, as they would at another location.

The goods, if desired, may be exhibited to customers. In actuality, the newer warehouses provide display rooms for this very purpose, either as an integral part of the leased space or as separate rooms with more appropriate conveniences.

Even the next need is met—that of office space—and with a growing number of corporations the entire branch is housed beneath the warehouse roof, this applying to concerns which do not require office location within a certain district or section of the city. This matter of office space is, of course, an optional arrangement, for it is recognized that many industries find it necessary or desirable to have their office and display in the accepted business district for the particular trade.

Yet the newer warehouses make provisions for all these gradations of demand from their patrons.

These newer warehouses have wrought immense changes to all warehousing within recent years—changes so fundamental as to merit "consideration" by manufacturers before they allow agency rentals to grow into costs of a dollar or several dollars per square foot.

It is a mistake to assume that rising costs of this sort are unavoidable. An alert management will "consider" a new location where stocks may be housed at 60 cents, and less, per year per square foot of space.

Any corporation that is paying more than this rate owes it to its own self to investigate the public warehouse, remembering that with the warehouse the rate applies to net space used, not to "gross space inclosed."

Federal Census of Distribution in 1930 Is Asked by Secretary Hoover in Letter to Congress

RECOMMENDATION for a nationwide Federal census of distribution as the basis for the advance in efficiency in marketing in the United States is contained in a letter which Secretary of Commerce Hoover sent on Jan. 31 to Representative Fenn, Connecticut, chairman of the House Committee on Census, which has been holding hearings in preparation for the decennial census of 1930.

"During the last few years," Mr. Hoover wrote, "the business world has developed widespread use of systematic statistics in the better guidance of business. In addition to the great national

stock-taking efforts of the Government, business men themselves have to largely supplement the figures with more specific current statistics, but they are dependent upon the Government for their basing points.

"The significance of this vast array of statistical information cannot be overestimated. It enables the business man to substitute facts for hunches and guesswork in the formation of his business judgments. It has contributed to the sustained and unprecedented prosperity which this country has and is enjoying. I believe that to no inconsiderable extent this is due to our in-

creased development and use of business statistics of both public and private origin.

"Business statistics now available relate almost entirely to the production and stocks of commodities. Almost none of them relate to the movement of these commodities from the producer to the dealers or the consumer. Coincidentally, it may be noted that by far our greatest advance in business technique and efficiency has been in the field of production. Marketing and distribution are still carried on for the most part along

(Concluded on page 54)

Our Newer Terminal Warehouses*

By H. A. HARING

Contributing Editor of
Distribution and Warehousing

THIS topic "Our Newer Terminal Warehouses" is truly a troublesome subject—a most troublesome subject, I would say—for the American Warehousemen's Association to consider. And when in the July, 1927, issue of *Distribution and Warehousing* it was discussed at some length, the management of that publication and the writer of the article learned that warehousemen are far from being a unit in their opinions. A month later, Mr. Little†, through your own official organ, *The Merchandise Warehouseman*, presented a viewpoint somewhat contrary to the *Distribution and Warehousing* article.

Among your own membership are men committed to both sides of the question. You have members who believe that the newer terminal warehouses are wholly a mistake; you have other members who are managing and

owning these same warehouses. Possibly it is no exaggeration to go further and state that you have members who are worried almost to death because they feel the competition of these terminal warehouses, while others of your membership are worried because the terminal warehouses for which they are responsible are earning less than their fixed charges.

Terminal warehouse construction, as it has been going on for four or five years both in Canada and the United States, throws among us quite a good many points which may, with all honesty, be discussed from different angles, those angles varying according to the situation of the person involved. It is because the members are differently affected that terminal warehouse topics are troublesome subjects.

Face the Facts

UPON one point, however, I imagine we shall come pretty close to agreement. It is undoubtedly true that terminal warehouse construction has been overdone. For that matter, in quite a number of cities even furniture warehouse construction has been overdone, although the furniture division of warehousing is scarcely affected by what we have come to style as the "terminal warehouses." The terminal warehouses do, however, most decidedly become a factor with merchandise and with cold storage, and, to a lesser extent, with "yard and ground" storage or "storage in the open."

The terminal warehouses have committed an error that is very common in America. Their organizers have produced warehouses entirely out of reason for the present demands. Yet this is a mistake that requires no great acumen to understand. It is, furthermore, precisely the sort of mistake which any one of us would be likely to make if we were to undertake construction of a terminal warehouse. In building a new warehouse it would be utterly foolish to make it merely large enough for the needs of today.

Every new building looks forward to the demands of a generation as yet unborn. The new structure is therefore larger than can be filled at once, and

obviously the surplus space becomes a menace in the local warehouse situation. If building for the future is a mistake, the projectors of terminal warehouses have much company—much good company, too—among banks and department stores, apartment houses and private dwellings, farmers' barns and city men's garages.

At the same time there can be no question but that many of our cities have needed new warehouses. It appears that it might have been wise to erect smaller first units, with provision for doubling the capacities some years hence, rather than to tie up hundreds of thousands of dollars, if not millions, of capital in structures which cannot possibly earn a profit for years to come.

As to actual warehouse capacities, each city seems to be a problem unto itself. It is hard to generalize. Each of you knows the local situation of his home city, but also it is apparent that conditions as among cities vary widely. Nor is it sufficient merely to compare capacities as reported in cubic feet or square feet, for the reason that a number of cities wherein total capacities seem quite sufficient have as a matter of fact a dearth of warehouse space of the sort demanded by an owner of goods. We have not a shortage of space, but a shortage of good space. Cold storage and dry storage have been thrown on the market in city after city by the release of what was built, for other purposes, under stress of war-time conditions; in other cities, breweries that have ceased to brew, factories that have ceased to make, and packing houses that

have ceased to pack, have entered the competition as warehouses.

Every man in this room knows the situation. It is a fact which confronts us, not a theory, and the cold fact fairly slaps us in the face because it prevails so generally.

The Terminal Warehouses

THEN, at the rate of about a dozen a year, terminal warehouses have been announced. I would not try to estimate how many of them have been projected and started and completed. With the railroad angle of competition, which makes it necessary for each carrier in a city to have a modern warehouse on its rails, single cities have two of them or three; some have four. Their sponsors have not hesitated to erect capacities of half a million feet, or a million—sometimes several millions.

With their capital stock, too, they have gambled with millions—millions in bonds, millions in preferred stocks and millions in common stock.

These totals are staggering. It is not surprising to find that professional warehousemen view this onslaught of competition with dismay. Who would not?

Every major city in this country and in Canada faces the same situation: either it is overbuilt with warehouse capacities or shortly will be.

The same thing is occurring in other industries. We build, build, build: everywhere it is the same. Brick and concrete have apparently no limit. Apartment houses are overbuilt—the

*Address before French Lick, Ind., convention of American Warehousemen's Association.

†Wilson V. Little, executive secretary, merchandise division, A. W. A.

house that was the "last word" in 1920 or 1921 is looked upon as out-of-date. Taste in front elevation has changed in eight years; the development of domestic refrigeration has given new conveniences; style in plumbing fixtures has altered as much as style in women's skirts; and the lack of the new makes an eight-year-old apartment seem older than really it is.

Nearly every city that I know is overbuilt in office space. Similar improvements in design and office conveniences have done for downtown properties what the apartment house has suffered. Even at that, the new skyscrapers have been unable to meet their payments. Estimated earnings have proved too sanguine. Exorbitant leasehold rentals have been found to be too high. The owner of the land realizes that the building income does not justify any such ground rent as was written in the contract of six years ago. Hence, rather than allow the building to default in the ground rent, the leases have been modified. Payments have been adjusted downward, in order to allow business to grow up to the overbuilt office capacities. This thing is being done on Euclid Avenue in Cleveland, on Broadway in New York, on State Street in Chicago, and on corresponding streets everywhere from Montreal to Miami.

Banks, too, have been overbuilt. Talk with any group of bankers—that is, unless you are trying to borrow—and their tongues will glide to the overdoing of banking. "Too many banks," they say; "too many branch banks; too many newcomers in the business." With the tire men it is the same: "Too many tire factories; too many tires; we can't make a go of it, unless a lot of them quit." The same holds true with canneries, with walnut growing, with moving-picture houses, with coal mines, with many industries.

Assuredly it is true with warehousing. Warehousing, too, is overbuilt.

It is a fact we face. We may as well face the issue squarely. It is possible, of course, to get mad over it, to cuss out somebody, to growl about promoters and real estate deals and bond houses, but anger will not cure the situation. No one will blame the established business in warehousing, that suffers from the overbuilding, when it feels sick at heart, but at the same time it is not wise to permit one fact to eclipse an important business development. Even those who suffer business losses from the new order of things must face the new situation.

It is one of those adjustments that come every few years in business, just as they come into our personal lives when a loved one drops out of the family circle. The rupture is terrible; all hope is for a time gone. But, for all that, the cold fact must be faced; life, or business, must be adjusted to the change, because we are obliged to carry on.

And terminal warehouse building has not stopped. It is apt to continue.

There is not a doubt in the world that much of this new warehouse building

has originated outside the industry. Many of the new corporations originate in the office of some construction engineer or some real estate interest, with bankers and promoters not far in the offing. It may not be so generally known, but it is the truth, that most of the recent terminal projects have been born in railroad circles. Railroad managements see in the warehouse a means to traffic control of merchandise, such as elevators have given to the carrying of grain, the wool houses of the Northwest to the carrying of wool and mohair, the cotton and the bean houses to freight earnings on those commodities. The railroads, accordingly, have actively supported these new enterprises; in many cases they have made the initial move; in many more they have lent their financial aid.

Nothing will be gained by decrying the efforts of engineers and promoters and hawkers and railroads. We may approve it or we may not, but in either case we are helpless to prevent it.

Forestalling a Deluge

THERE are of course certain obvious measures to be adopted in order to forestall a deluge of overbuilding. What I am about to suggest has protected some cities from the menace. It is a thing simple to state but not quite so simple to execute.

It is to educate your local community to the idiocy of more space.

A hard task! It requires careful planning and some shrewd engineering in order not to overdo the thing and thus defeat your object. Yet, if a big project of this sort threatens and if you believe it is too ambitious, it is generally possible to get your side of the case so strongly before your local bankers that every inquiry from the outside will receive a discouraging answer. If you can make sure that every local banker will refuse to touch a loan, you can make local capital gun-shy.

As well we know, such enterprises often are financed elsewhere. But also we know that banks pride themselves on inside information, to get which they inquire locally before taking on a venture. If, therefore, you so manage as to have every local banker properly set against new warehouse construction, they will report adversely to their correspondents. And you will be able to lay before your bankers figures that tell the story.

Do not forget that banks talk a language of dollar signs and figures. If you desire to persuade a banker, you must talk in his language. Thus, if you can show warehouse earnings, your banker will forward your data to out-of-town banks. This procedure will get across your side of the case to the place where the promoter borrows his money.

If you want to prevent new construction in your city, and if you are serious about it, it can be done.

Bear in mind, however, that it's one of those tasks that I call "6 a. m. jobs." Don't do any napping over it! If you putter around, it soon will be too late. For, as readily may be seen, if you allow the plans to get well under way,

or if the financing advertisements once appear in the papers, you are lost.

To do this demands cooperation of your local warehousemen. It is one of those instances where, if you do not all cooperate, some of you are not going to operate.

Furthermore, we may just as well be honest. It is of no avail to deceive ourselves about the danger of trying to forestall new construction.

These dangers are two-fold. One danger is this: if you present to your bankers too black a figure you will undermine your own credit. You must never forget that the banks are handling your paper all the time and you can't afford to discredit yourself. A second danger is this: all your hard work may come to naught! You can ward off one new warehouse; you can repeat the offensive against number two; but your efforts are bound to weaken as project follows project.

The longer you save your city from the onslaught, the surer it is finally to come upon you. Construction engineers and promoters are making money by organizing and erecting new warehouses—and big new warehouses, at that. No important city can—at least, in my personal judgment—permanently stay off the terminal project.

And it is from such considerations that I, as one, am of the opinion that, whether we approve the newer terminals or not, we are powerless to prevent their coming. That is why, gentlemen, I say that we must face the facts.

These houses are going to increase in number. We simply cannot stop the movement. And, being unable to stop them, we can do one thing and only one. We can build a bigger and a better warehousing industry. We can compel these terminals to help merchandise and cold storage warehousing.

What Will Be the Outcome?

WHEN this subject was discussed in *Distribution and Warehousing* last July it was stated that terminal warehouse construction will continue because the reasons behind them are economically sound. All this construction is evidence of the faith of men that warehousing, both dry and cold storage, is to grow as it never has grown—that warehousing has but scratched the surface of the big thing it soon is to become.

Gentlemen, to most of you I am unknown; I have come here as your official guest; all the tokens of courtesy demand that I shall carefully avoid offense; and, much as I dislike to say what I know is not pleasing to some of you who sit before me, I yet believe that manufacturers and distributors see some things that you who are within the industry do not grasp. They see ahead one thing so prominently in the middle of the road that they simply cannot detour it.

They see warehouses as the future of distribution.

The warehouse solves spot stocks; the warehouse supplements jobbers; the warehouse makes possible direct selling to dealers; the warehouse brings dis-

tribution up parallel with advertising and sales promotion.

These new terminal projects indicate faith in the future of warehousing, that faith being the knowledge that warehouse distribution is one of the very biggest things in American marketing.

Gentlemen, that may sound harsh. I declare it with full knowledge that a lot of these terminal warehouses have hard days ahead; that many of them will be reorganized; that many trusting investors who have bought bonds and stock will suffer big losses; that a world of grief lies ahead for their managements. Many of them, as well I know, already are in difficulties, even before enough years have elapsed for them to get fairly under way. They have been overbuilt, overcapitalized—over-everything. Several of them have shown a woeful disregard for operating costs and operating methods. Many persons will get severe scorplings, one way and another; and, without doubt, the inevitable price-cutting will hurt established warehousemen.

All this I know. I know much more that I dare not say out of fairness to those whose business is concerned. Nevertheless—despite all the grief and all the ridiculous overbuilding—I yet believe that these new undertakings will work for the expansion of all warehousing.

Do Not Becloud the Issue

BEAR in mind the facts. These terminals are upon us; more are coming. It is impossible to stop the movement. Bewail the misfortune of it if you will, grieve for those who are due for a hot scorching if you wish, but none of that will alter the facts.

Adjustments will come; reorganiza-

tions will come. These are not desirable, and I wish we might avoid them, but deeper than that lies the great fact that these terminals will be obliged, sooner or later, in some manner or other, to earn their fixed charges. They cannot go on forever as price cutters. They, of all warehouses in the industry, need the money if they desire to remain solvent. They will be compelled to get more revenue from their patrons—either by charging more for established services, or by creating new services, or by filling in unknown gaps in the distribution of goods.

There is no alternative. If they fail to create new services, or do something to obtain greater income, they face bankruptcy one and all.

More than two years ago the management of *Distribution and Warehousing* perceived this thing coming. It was felt that the publication could do nothing less than try to perform its bit to prepare the industry for the inevitable, and then it was that we began that department of "New Business for Warehouses." We knew it was but one tiny effort; we felt sure that many of the suggestions would be worthless to many readers, just because warehouses are already doing the things we suggest. For all that, gentlemen, the "New Business" page has run on month after month.

Think what you will about those new business suggestions, the underlying purpose has been unaltered from the first article right up to the present time, and that purpose is to arouse warehouses to the dire need of developing new business—not switching of accounts from one to another, which is not new business at all but merely old business under another roof. The purpose is to

throw out, each month, a reminder that warehousing can only grow in so far as some one develops new services and brings new users into the fold.

We have no officer to do this for the association; we have no advertising fund to educate the world quickly to the thing which eventually they will do. The only way we can possibly build up new business for our warehouses is by encouraging each man to go after those accounts that he can get.

The "New Business" page of *Distribution and Warehousing* is the publishers' effort to stimulate and encourage this movement.

And that, gentlemen, is the salvation of the terminal warehouse situation. It is, as I have hinted, a troublesome topic. To many of us it is a sore spot. Facts, however, we face. And of all those facts this is outstanding above all others, namely, that the terminal warehouses are evidence of what warehousing is to become. The way we can help solve the situation, the way we can save established business from being hurt, and the way we can set the new enterprises on their feet, is by developing new services, new business, bringing new manufacturers into the public warehouse.

Well do I know that you cannot go out at ten o'clock to make a call, have a jolly lunch and come back at two o'clock with a signed contract. I do not overestimate what can be done in developing new business for warehouses. Far from it.

But if warehousemen *don't* go out for new business, if warehousemen *don't* create new services, if warehousemen *don't* educate Business America to the economies of public warehousing—

Who will?

Instalment Selling Is Now Standardized, Says Rediscount Authority

INSTALMENT selling has gotten down to a more standardized plan of operation, with competitive terms being gradually eliminated, according to L. H. Hendricks, president of the American Rediscount Corporation. This corporation rediscounts the paper of finance companies, and, while it handles automobile accounts largely, Mr. Hendricks' remarks may be interpreted as covering the instalment field generally.

"There is no question," he says, "but that the elimination of competitive terms in instalment selling is making for a much healthier condition. These terms differ on practically every item of merchandise and should depend directly upon the life of the item. It is obvious that the same terms would not be made on an electrical refrigerator as on a suit of clothes. Instalment buying is here to stay and the sole requirement is to put it on a sound and conservative basis.

"Standardized practice requires that the down payment should not be less than 33 1/3 per cent, the rest to be divided

over a period of twelve months. Experience covering some years has shown that the finance companies following these terms have had a minimum of repossessions.

"Even the difference between 30 and 33 1/3 per cent as a down payment shows a substantial increase in repossessions. In cases where the down payment is 25 per cent and the time is extended to sixteen months, the number of repossessions runs about 400 per cent greater than with the one-third down payment and the balance paid within a year.

"Where the customer's initial payment and the first three monthly payments account for a large equity in the purchase, it can be expected that the entire amount will be liquidated without trouble. Credits must obviously be carefully watched and the management must be such that collections are promptly made.

"Any slight recession in general business will not affect the instalment situa-

tion to any marked extent, because of the volume and spread of such purchases. Of course, if there were any serious reaction there would be danger of purchasers being tied up so that they could not meet their payments.

"I see no signs of any such development. The general situation continues sound. The building program of the country continues large and the large number of people directly or indirectly concerned with it represent a great percentage of the potential and actual instalment purchasers. Mention also must be made of the revival of activity in the Ford plants, which will greatly add to the purchasing power of the enormous number of people who work in the Ford plants or who are engaged in the production of the various raw materials or accessories the Fords require.

"The finance companies are in a sound condition. A recent consolidated statement shows 95 per cent of their assets to be liquid. The outlook for the coming year is one of reasonable optimism."

Hollywood Convention Furthers the Progress of Furniture Warehousing

Story of Eighth Annual Convention of N. F. W. A.

By KENT B. STILES

ON these pages is presented a summary of the eighth annual convention of the National Furniture Warehousemen's Association, held at the Hollywood Beach Hotel, Hollywood, Fla., on Jan. 19-24. The high lights of the meeting were published in the February issue of *Distribution and Warehousing*, and, as therein set down, the outstanding feature of the Florida assembly was a decision to organize a corporation for long distance transport of household goods by motor truck. If the plans of the long distance removals committee, headed by Martin H. Kennelly of Chicago, mature along the lines discussed at Hollywood, the new corporation should be functioning within a few months and the household goods warehouse industry will through its national organization be making a constructive effort

to control this branch of the business and regain some of the revenue which "outside" long distance trucking interests have been taking away.

"Let Storage Help You" was adopted as the association's slogan. Other features of the convention had to do with arbitration, a code of practice, revision of the legal sales notice form, the Kansas City plan of estimating, advertising and publicity, warehousemen's liens, insurance, and membership dues. Action looking toward the industry's betterment was taken in these various situations. With one exception the convention was the largest in the association's history, more than 400 delegates and guests attending.

The summary follows:

S. C. BLACKBURN, Kansas City, retiring president, opened the convention by calling on E. B. Gould, San Diego, a past president, to conduct a "serpentine handshake." The delegations left the meeting hall and arranged themselves into a long boardwalk row with their backs to the ocean. The man at the southern end of the line shook hands with the delegate next to him and passed on down the row, shaking each man or woman's hand in turn. The second delegate in line then did the same thing, and in a half-hour's time each one had shaken hands with all the others. The delegates then returned to the convention hall.

After telegrams of greeting had been read, including one from the Furniture Warehousemen and Removers' Association of Great Britain, President Blackburn read his report, in which he declared that "the rapidly changing times make imperative a closer cooperation and a pulling together of our 'loose ends' to meet successfully the keen competition which we face today" and to be "better fitted and more thoroughly organized to combat the inroads on our business which outside commercial interests will certainly attempt if we do not devise ways and means of keeping within our industry that which rightfully belongs to us." He alluded specifically to long distance removals, pointing out that "the great losses already suffered by us



Mrs. William I. Ford, wife of newly-elected president of National Furniture Warehousemen's Association, and Mr. Ford, Dallas.

why we should meet the long distance moving problem in a way to keep this business and thereby replenish through the removals department the losses we suffer in other departments." He added:

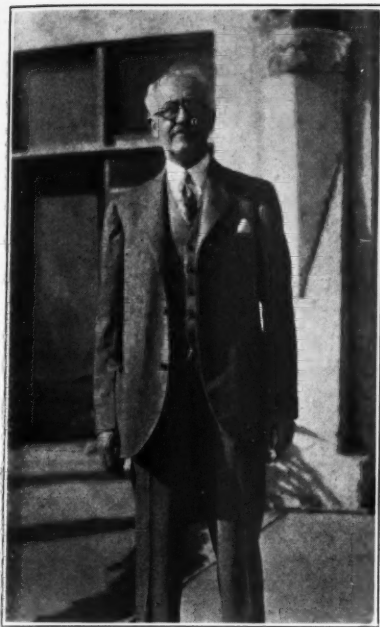
"We must analyze our business thoroughly and put a foundation of scientific fact-finding before and behind every policy we sponsor. . . . We must prepare on an adequate basis for the inevitable developments of the future. Research work and scientific planning by other lines of business can be applied to our own industry. Such study has come to be a major activity in the best organizations."

Mr. Blackburn touched on the year's work by the industry's various associations and urged effort to defeat adverse legislation in the several States, and paid tribute to the National's officers and committees for their activities in strengthening the National.

The president alluded to the work accomplished by David Bowes, now retired from warehousing, as past chairman of the traffic committee, and the convention voted, in response to a motion by Daniel P. Bray, Kansas City, to send Mr. Bowes a message of appreciation. Mr. Blackburn appointed as a committee to prepare it M. J. Murray, Chicago; Martin H. Kennelly, Chicago; and William T. Bostwick, New York.

Reporting as secretary, Ralph J. Wood, Chicago, said the Hollywood con-

in our storage, packing and shipping departments would be a sufficient reason



Ralph J. Wood, Chicago, reelected
secretary

vention, 400 members and guests, was the largest with the possible exception of the New York meeting, and announced that the directors had recommended that the incoming board that the 1929 assembly be held in California. Reviewing the previous six months, Mr. Wood said the membership had shown "a consistent and conservative gain," and that the directors in scrutinizing applications were giving special attention to "warehousing facilities, credit standing and promptness in meeting obligations."

Alluding to the directors' decision to get credit information regarding members, the secretary commented:

"This office has been accused of being a collection agency. In the respect that it endeavors to collect or settle claims between members, it is a collection agency. . . . Where complaints come in affecting the credit standing of a member, it is only due the other members of the association that this firm's credit standing be investigated and an explanation asked of the delinquent member."

Henry Reimers, Chicago, in his report as executive secretary reviewed the important activities and accomplishments, taking up standard forms and accounting, publicity, correspondent shipping rules, insurance, selling service, estimating, code of practice and arbitration, inter-city removals, members' credit standing, care of upholstered furniture. In conclusion he emphasized "the value of group action," which he declared was "too often overlooked in daily competitive contact." He added:

"Many industries already have formulated standards for group conduct and service to the public. Sensible reasoning is bringing business men to realize

The Elections:

AT the annual convention of the National Furniture Warehousemen's Association in Hollywood, Fla., in January, the following officers and directors were elected:

President, William I. Ford, president Inter-State Forwarding Co., Dallas.

Vice-president and western regional director, Raymond A. Chapin, president Portland Van & Storage Co., Inc., Portland, Ore.

Vice-President and eastern regional director, C. J. Hamilton, president Security Storage Co., Inc., Baltimore.

Vice-president and southern regional director, James M. Walker, president O. K. Storage & Transfer Co., Memphis.

Vice-president and central regional director, Sidney S. David, vice-president David Fireproof Storage Warehouses, Chicago.

Secretary, Ralph J. Wood, president Lincoln Warehouse & Van Co., Chicago.

Treasurer, James F. Keenan, president Haugh & Keenan Storage & Transfer Co., Pittsburgh.

Directors, to serve three years each, Ernest H. Milligan, vice-president Lee Brothers, Inc., New York; Ernest T. Chadwell, secretary Herrford-Chadwell Co., Nashville, Tenn.; Schuyler C. Blackburn, president A-B-C Fireproof Warehouse Co., Kansas City, Mo.; Floyd L. Bateman, Chicago, president Trans-Continental Freight Co.



James F. Keenan, Pittsburgh,
again treasurer

the value of group action. . . . If we are to make self-regulation—self-government—a reality in this industry, let us not shirk, but inject just a little more firmness into association activities, and a little sensible education as well."

Regional Conditions

THE business situations in the eastern, southern, central and western divisions were described by the respective regional vice-presidents—Walter E. Sweeting, Philadelphia; William I. Ford, Dallas; Julian M. Gibson, St. Louis, and Milo W. Bekins, Los Angeles.

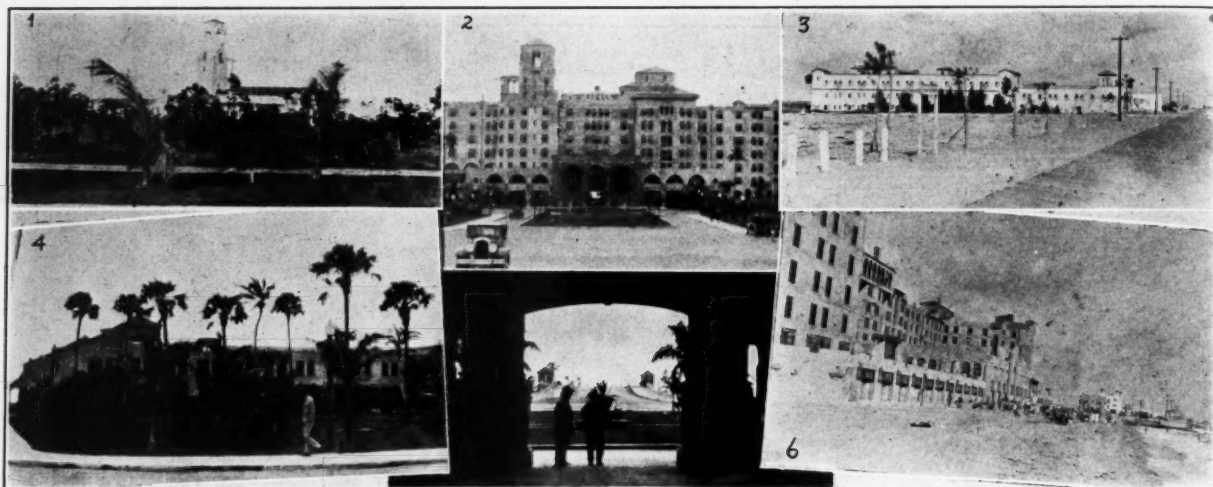
For the east, Mr. Sweeting said that blue was the one color "which may fittingly be used to symbolize our industry during the past twelve months"—"a dark, sombre blue, because we warehousemen of the East, on the average, are as blue as indigo," with business in general not good. He quoted warehousemen's opinions, as written to him, to carry out his contention—extracts from letters "of thinking, observing and experienced" executives—and declared that what little optimism he had found appeared to be a case of "the wish being father to the thought." He commented:

"The most striking thing about the many reports is the undeniable fact that the few firms which have reported better business in 1927 than in 1926 are ones we all know to be hustlers and persistent advertisers."

As contributing factors to "the unsatisfactory conditions" Mr. Sweeting mentioned over-production of homes, both individual dwellings and apartments, and "the bursting of the Florida real estate boom," which had "undoubtedly helped to bring about a depression in the



E. B. Gould, San Diego, past
president and a director



1. At Coral Gables, Miami, which some of the National's delegates visited following the convention. 2. The Hollywood Beach Hotel, Hollywood, Fla., where the convention took place. 3. Swimming pool at the hotel. 4, 5 and 6, other hotel views, including one taken from the beach (lower left)

eastern real estate markets." Various business mergers had caused an increase in unemployment, he added. Elsewhere in his report he said:

"All told, it seems that conditions in our business are pretty fair and progressive save for one thing—volume, which averages much below the past several years. . . .

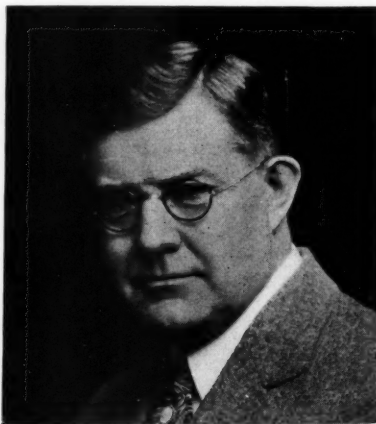
"It is my sincere conviction that the progress of the past eight years is only the beginning of a still greater growth and that before another eight years have passed this organization will become so well and favorably known to the American public that well informed people will accept services of only those firms in our industry which have the proud right to display the seal of our association."

For the South, Mr. Ford said that it was not pessimism but just plain statement of fact to say that the warehouse business was "not so good!" Indications were that the turnover of household goods was some 20 to 25 per cent off in 1927 as compared with 1926, he declared, although storage had about held its own, but "a warehouseman cannot live by storage alone; he must have in and out handling, with incidental moving, packing and shipping."

Notwithstanding the recent past, however, Mr. Ford said, there was confidence that 1928 would prove a better year, as the South was coming into its own in a general business way.

For the central territory, Mr. Gibson reported—based on replies received from divisional members in response to a questionnaire—that storage rates were normal; packing rates were normal except in one city; local moving rates were lower by an average of 16 per cent in certain cities and unchanged in others; long distance rates were noticeably on the decline; volume of packing business had decreased on the average 21 per cent in ten cities and had increased on the average of 20 per

cent in four others, with one city reporting normal; volume of long distance business had increased between 21 and 50 per cent in some cities and had decreased between 15 and 25 per cent in others; local moving volume had decreased on an average of $9\frac{1}{2}$ per cent in some cities and had increased $10\frac{1}{2}$ per cent in others, with four cities reporting normal; and storage volume appeared "spotty," ranging from an average loss



S. C. Blackburn, Kansas City, National's retiring president and now a director

of $9\frac{1}{2}$ per cent in some cities to an average increase of 14 per cent in others. He added:

"It is peculiarly noticeable that the majority reporting on packing volume claim an average decrease of 21 per cent, while the majority reporting on long distance volume claim an average increase of 21 per cent."

For the West, Mr. Bekins said that the Northwest was keeping the white flag flying insofar as storage business

was concerned. California was "just fair" in all branches, he reported, with storage on the decrease in volume; cartage about holding its own, both local and long distance; and packing having decreased slightly. In the Northwest all branches showed reasonable increase in volume.

The answer to the dark side of the question, Mr. Bekins concluded, lay in merger arrangements, in cooperation, and in cutting down overhead expenses. He quoted from a Roger Babson letter to clients, urging putting business on a safe foundation and on a strict budget system while rendering every service to customers.

Practice and Arbitration

TWO amendments to the by-laws were adopted. One provides for increases in dues of member companies operating more than 50,000 sq. ft. of floor space, the new schedule ranging from \$75 for more than 50,000 but not more than 100,000 sq. ft., to \$150 for more than 200,000 sq. ft. The other amendment added Article XVI, which provides machinery for arbitration of disputes on the following:

"Appeals from affiliated associations; competitive issues involving ethics or questions of general policy and disputed transactions between members; all matters involving violations or misunderstanding of the Code of Ethics, Rules of Practice, Correspondent Shipping Rules or other National association rules and practices."

Henry Reimers read the proposed "Code of Practice," which according to the preamble is "a formal declaration of principles and rules of conduct, endorsed by the Association as ethical practice for all members." The code covers relations with the public; rates, estimates and quotations; competition among members; relations with the association; relations with fellow members, and relations with employees.



1. Fred L. Harner, Philadelphia; William R. Palmer, New Haven, Conn.; Francis E. Buckley, Boston. 2. William T. Bostwick, New York. 3. W. T. Callahan, Miami; R. J. Wilson, Roselle, N. J. 4. Mrs. Joseph M. Pelchat, Hartford, Conn., and Mr. Pelchat. 5. Edward T. Jenkins, Miss Ethel D. Pickford and Miss Dorothy B. Jenkins, Brooklyn. 6. Henry Reimers, Chicago, the National's executive secretary; Charles D. Strang, Brooklyn. 7. Robert B. Hall, Washington, D. C.; O. F. Paisley and C. G. Gardiner, Chicago. 8. John R. Zimmerman, Long Beach, Cal.; John G. Neeser, New York; Henry M. Burgeson, Los Angeles. 9. Lee Orcutt, St. Louis; K. K. Meisenbach, Dallas; Albert H. Hollander, Chicago. 10. Fred J. Baier, Detroit, and his mother. 11. Mrs. A. K. Murray, Brooklyn; Mrs. W. R. Thomas, Cleveland; George A. Rutherford, Cleveland; Miss Mildred Rutherford, Cleveland; William R. Thomas, Cleveland. 12. John S. Sawtelle, Portland, Me.; Joseph H. Meyer, Chicago.

S. S. David, Chicago, speaking on behalf of the code, said that now of all times, when conditions were bad and there was unfair competition, was the time to adopt it; with it, the industry could go through the lean years and retain a high spirit of cooperation. Giving credit to Mr. Reimers for the preparation of the code, Mr. David said a permanent code of practice committee should be appointed to study and investigate relating problems and recommend such additional features as experience might show necessary. He declared the code would be a guide to new members, a reminder to old members and an inspiration to the newer generation. The code was adopted by one of the loudest shouts of acclamation that has ever greeted any action taken by the National.

F. L. Bateman, Chicago, a past president, addressed the convention on the subject of arbitration, declaring that with the adoption of the arbitration amendment to the by-laws it remained to "follow through to local associations,"—that the question now was whether it would be used by the State and local organizations. He said the National's rules were for the guidance of other as-



C. J. Hamilton, Baltimore, new vice-president and eastern regional director

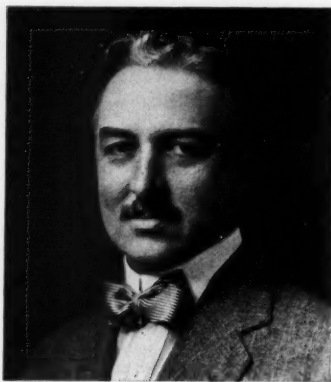
sociations to set up something practical.

Charles S. Morris, New York, also a past president, and who is vice-chairman of the American Arbitration Association, explained the history and machinery of arbitration.

A telegram was read from the National Western Horse Show saying that a six-horse team owned by R. V. Weicker, a Denver member, has just won a blue ribbon.

Legislation—Standard Forms

AS chairman of the legislative committee William T. Bostwick, New York, called attention to a resolution, adopted at the Mackinac meeting last summer,



F. L. Bateman, Chicago, a past president and now reelected a director

directing the committee to prepare a form for an amendment to the Uniform Warehouse Receipts Act whereby the warehouseman's lien should have priority right as against all other liens.

The committee felt, Mr. Bostwick said, that it would not be within its province to do anything more than recommend a form for a suggested amendment, and that the committee had sensed a general antipathy toward any alteration of the receipts Act, believing that the lien law ought to be amended in States that desired such an amendment, leaving the Federal law intact.

The chairman then presented a suggested form of amendment to a State's lien law, and it was approved.

Mr. Bostwick reminded that another Mackinac resolution had requested the committee to present a form for a lien law for the protection of movers of household goods, and here again, he said, such an amendment should be enacted by States. The chairman read the text of the proposed form for "liens of truckmen and draymen," which also was approved.

Mr. Bostwick pointed out various recent Court decisions of interest and interpreted them from the warehouseman's viewpoint.

As chairman of the standard forms committee William H. Protzman, Philadelphia, recommended two changes in the association's moving and shipping proposal form in order to make the form coincide with the correspondent shipping rules as revised by the directors last October. Both were adopted by the convention.

Mr. Protzman presented also a revised legal sales notice form, which, with a slight change suggested from the floor, was adopted. As revised, the form allows ample space for not only an itemization of the account but also for the location of the goods stored, a description of the goods, in what newspaper and on what dates the advertisement of sale would appear, etc., as Mr. Protzman pointed out in his report, which added:

"The handling of sales accounts should not be left to the ordinary employee but is of sufficient importance to require the attention of some one in authority. We

would suggest that, while it is not obligatory, advance notice of warning be sent at least a month in advance, stating that the goods are about to be sold. Also it would be good business to secure a sufficient number of copies of the paper containing the first advertisement and mail to the customer as conclusive proof that the goods have been advertised. This in a good many instances results in bringing in the money, which after all is the most important factor in a sales notice."

Long Distance Removals

PLANS for an incorporation for handling the members' long distance removals business transported by motor vehicle were presented by Martin H. Kennelly, Chicago, chairman of the committee which has been working on this problem for the past few years. The Mackinac convention last July requested the committee to have something definite prepared for the winter meeting.

Briefly, Mr. Kennelly's plan is the formation of a corporation with a minimum capital stock of \$5,000 which would be owned by the association. The country would be divided into sections, for purposes of operation, and the sections into



Ernest H. Milligan, New York, a newly-elected director

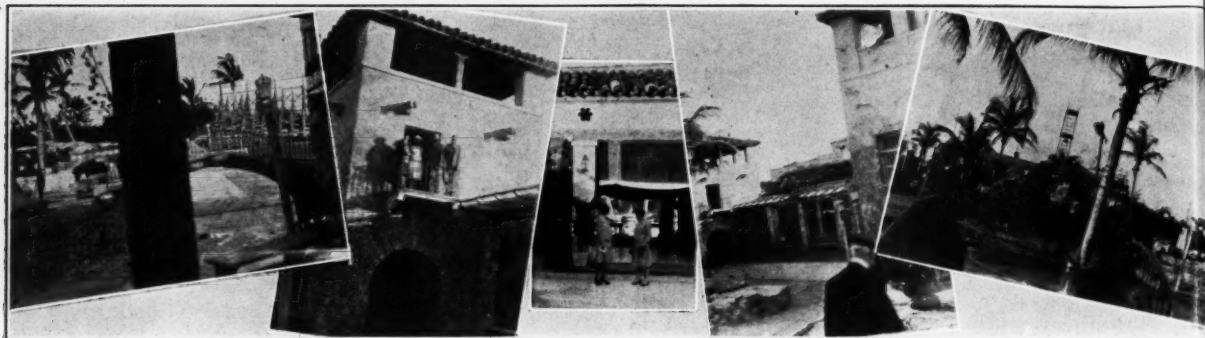
districts, and the sections and districts would have representation on the corporation's board and in the company's management. The member-warehouses would receive agency privileges, and there would be two classes of agents—hauling and non-hauling. Thus member-companies not engaged in long distance removals would benefit also.

Mr. Kennelly presented a set of proposed by-laws and forms of proposed contracts and explained in detail the suggested machinery of operation. In his formal report he commented:

"For years we have sat back and talked about the condition in this business and have not taken steps to protect



1. Thomas F. Healey, Brooklyn; Oscar W. Kreutzer, Milwaukee; Frank M. Brock, Glendale, Cal.; Harold S. Withers, Miami; Joseph F. White, Pittsburgh. 2. Martin H. Kennelly, Chicago, and his mother. 3. William R. Thomas, Brooklyn; K. K. Meisenbach, Dallas; George N. Winkler, Far Rockaway, N. Y.; William H. Protzman, Philadelphia. 4. S. C. Blackburn, the National's retiring president; Mrs. Blackburn; Mrs. William R. Thomas, Cleveland, and Mr. Thomas. 5. Charles S. Morris, New York, a past president. 6. B. F. Brockway, New York; Elmer S. Dayer, Buffalo; A. H. Amick, Denver; W. L. Hinds, Des Moines. 7. Walter J. Riley, Chicago; Mrs. A. H. Laney, Jacksonville, and Mr. Laney; M. A. Keyser, Salt Lake City. 8. Buell G. Miller, Philadelphia. 9. Thomas F. Murray, New York; Daniel P. Bray, Kansas City; W. A. Gordon, Omaha; W. Fred Richardson, Richmond, Va. 10. Marion W. Neidringhaus, St. Louis; Joseph H. Meyer, Chicago; Ben A. Langan, St. Louis; W. J. Byrnes, New York; John Stahl, Mount Vernon, N. Y. 11. Mrs. Charles S. Morris, New York; Mrs. A. K. Murray, Brooklyn; Mrs. James F. Keenan, Pittsburgh. 12. Mrs. W. I. Ford, Dallas; Mrs. Sarah Depenthal, Toledo; Judson M. Davis, Los Angeles. 13. Capt. Connell, Montreal; Fred S. Kedney, Minneapolis. 14. B. F. Lenihan, Brooklyn; John J. Schlemmer, Canton, Ohio; A. C. Barton, Oklahoma City.



Views at Coral Gables, Miami, which some of the delegates visited after the convention

our interests. The time for talking is past. Large competitors have gone unchallenged and it is not only the large competitors but the small ones as well that we have to think about. Hundreds of vans are doing this work. We have sat by while our business has been taken away from us. Why? Because it was too big for anyone individually to cope with. . . . You have money invested in your business. Spend a little more each year to protect your investment. It is like insurance. Let us take the next step forward in cooperative effort. Let us send forth the word that the members of the National are in the long distance moving business."

Discussing the plan after presenting it, Mr. Kennelly urged the members not to vote for it unless ready to back it. Clarence A. Aspinwall, Washington, D. C.; George Sebold, Elizabeth, N. J.; S. S. David, Chicago; Barrett C. Gilbert, New York; T. Y. Leonard, Detroit; J. C. Goodman, Bayonne, N. J.; E. B. Gould, San Diego, and others endorsed the idea and offered various suggestions.

Mr. Sebold characterized the plan as the biggest thing in the association's history. "We're stepping out of the school of cooperation into the school of coordination — into the field of national business such as we see all about us," he said. "This is the age of mergers and combinations."

Mr. David declared the plan to be superior to the present inter-city removals bureau system operating out of Chicago and New York. He believed it would increase loads 80 per cent and increase volume of business 300 per cent, and that in time the new company should be worth \$1,000,000 or more.

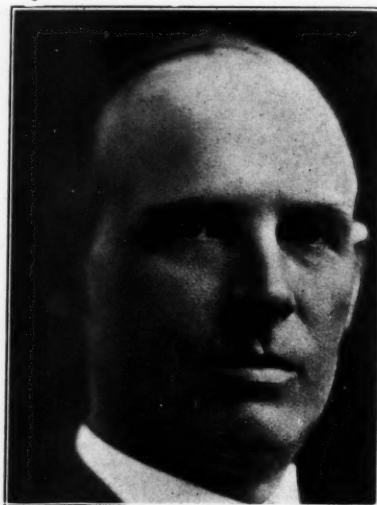
Mr. Goodman moved that the committee's report be adopted and that the committee be authorized to proceed with incorporation, with power to organize, have officers and directors elected, etc. This motion was adopted without dissent.

"We've done the biggest thing we've ever done in the organization," President Blackburn declared, and Mr. David commented: "This is a really most auspicious occasion for every warehouseman in the country. This is a resolution that means an evolution." Mr. Kennelly said that by next summer the National would have a string of vans, all one color and under

one name, in operation and that the country would be familiar with the new corporation. He gave credit to Henry Reimers for developing the details of the plan.

The Kennelly report contained a number of suggested names for the corporation, and others were suggested from the floor of the convention. President Blackburn offered a prize of \$50 for the name eventually selected.

As part of the Kennelly report, summaries of the operations of the Chicago and New York inter-city removals were



Ernest T. Chadwell, Nashville, a new director

presented by Thomas A. Jackson, Chicago, chairman of the central district committee, and on behalf of Frederic E. Aaron, Philadelphia, chairman of the eastern district committee.

Mr. Jackson's report showed that 1805 loads were registered at the Chicago bureau last year as compared with 1233 in 1926. The bureau matched 908 loads in 1927 as against 446 in 1926. The total income was \$282,327 as against \$186,649. Total haulage was 1,201,033 cu. ft. as against 803,928 cu. ft. Total mileage was 476,328 as against 284,439. The average size load was 766 cu. ft. as against 526 cu. ft. The average load income was \$156.41 as against \$147.43.

Mr. Aaron's report predicted that a greater percentage of members would be using the Eastern bureau by spring. He said 40 per cent of the present loads were being matched. President Blackburn called this a very high percentage.

Wilson H. Collin, Chicago, read a paper on the advertising value of motor vans and Edward T. Jenkins, Brooklyn, one on electric vans and removal bodies.

Industrial Relations—Insurance

PRESIDENT BLACKBURN made reference to the National Council of Warehousemen's Associations—the tie-up organization of the National and the American Warehousemen's Association. Representatives of the two organizations met in Chicago on Jan. 16 and elected J. Edgar Lee, Chicago, the American's general president, chairman William I. Ford, the National's new president, was made vice-chairman. Ralph J. Wood, the National's secretary, was chosen secretary, and C. A. Aspinwall, the American's general treasurer, was made treasurer.

The report of Joseph W. Glenn, Buffalo, as chairman of the rates committee, called attention to the fact that Atlantic freight rates on household goods were four or five times higher today than they were before the war and he believed that much business in removals across the ocean was being lost because the present rates were out of reason. Mr. Glenn recommended the following:

"Resolved, that the National Furniture Warehousemen's Association, believing that present transatlantic rates on household goods carried as freight are discriminatorially high as compared with manufactured and other articles on consignment, does hereby

"Respectfully request that the North Atlantic United Kingdom Freight Conference attend its plea that these rates be reduced, in the interest not alone of this association but of the people, who, generally of extremely modest means, are affected by these rates."

On motion by C. C. Stetson, St. Paul, this motion was adopted.

As chairman of the industrial relations committee, George A. Rutherford, Cleveland, presented a tabulated report on wages, hours and conditions of employment of chauffeurs, helpers and packers in household goods warehousing in

N. F. W. A. CONVENTION

ehous Distribution and Warehousing
March, 1928



1. C. Van Wyck Mott, Washington, D. C.; Mrs. A. K. Murray, Brooklyn. 2. E. W. Irwin, Erie, Pa. 3. George A. Rutherford, Cleveland; Grant Wayne, New York. 4. M. J. Murray, Chicago. 5. George Kindermann, New York. 6. Roy Binyon, Fort Worth; H. P. Melius, Milwaukee. 7. E. M. Bond and Sydney M. Green, Jr., Nashville. 8. George Sebald, Elizabeth, N. J. 9. C. C. Temple, San Diego; Julian M. Gibson, St. Louis; George A. Rutherford, Cleveland. 10. Mrs. Carl Wittichen, Birmingham, and Mr. Wittichen. 11. Stanley E. Kerr, Binghamton, N. Y.; L. W. Bell, Camden, N. J.; Robert B. Hall, Washington, D. C.; Elmer S. Dayer, Buffalo; Robert M. Ferguson, New York. 12. John B. Baillargeon, Montreal; Mrs. Sarah Depenthal, Toledo. 13. C. Van Wyck Mott, Washington, D. C.; Griswold B. Holman, Rutherford, N. J.; H. E. Burch, Pueblo, Colo. 14. Bathing was popular—one of the beach groups. 15. Mrs. Thomas F. Murray, New York, and Mr. Murray.

forty-seven cities in the United States. Thirteen cities reported a 10-hour day, four cities a 9½-hour day, twenty-two cities a 9-hour day, three cities an 8½-hour day, and five cities an 8-hour day. Thirty-nine cities reported operating on the non-union and eight cities on the union plan of employment.

Wages of chauffeurs average \$31.46 a week in the forty-seven cities; of helpers, \$27.51; of packers, \$31.83. Maximum rates were shown to be \$42 for chauffeurs, \$37.80 for helpers, and \$40.50 for packers.

"It is worthy of note," Mr. Rutherford pointed out, "that the rate of wages does not seem to depend on whether a city is operating on the so-called open shop or the closed shop plan, some of the highest rates existing in the open shop communities. This is as it should be. Were this generally the case in all industries there would be less field for the professional agitator to work. . . .

"To a great extent our success as warehousemen depends on satisfying our customers by prompt, careful and considerate handling of their goods. To meet these requirements we must rely to a considerable degree on our staff of employees, as they form our means of direct contact with the public. It is therefore important that our relationship with our employees should at all times be friendly and mutually agreeable. Fortunately the great majority of our members maintain this kind of a feeling in their organizations."

The insurance situation was covered in reports submitted by Ernest H. Milligan, New York, the committee's general chairman; C. A. Aspinwall, Washington, D. C., heading the accident and fire prevention division; A. H. Hollander, Chicago, chairman of the building insurance section; Henry M. Burgeson, Los Angeles, chairman of the transit insurance division, and C. C. Stetson, St. Paul, heading the compensation coverage section.

Mr. Aspinwall in his report emphasized motor vehicle accidents, declaring that every forty-one seconds someone was killed or injured in highway motor accidents in the United States, and he urged care in an effort to reduce "this appalling loss of human life." The outstanding factor, he said, was fatigue, causing carelessness, recklessness and general decline in ability of both driver and pedestrian. Members should provide hours of work sufficiently short that all workmen would be mentally and physically alert, he added, and drinking should be absolutely prohibited, and all employees should be given thorough physical examination before being taken on.

As to fires, the cigarette "is still the greatest element of danger, with spontaneous combustion following next," Mr. Aspinwall declared. His report offered explanation of volatility, inflammability, etc.; urged special care for ventilation of rooms, and outlined various fire hazards and stressed the importance of fire-extinguishing equipment. He concluded:

"The warehouseman who is conscious

of his responsibility to the community and concerned for the safety of his investment will do well to make frequent inspections of his entire premises, and invite the head of the local fire department to inspect his premises also, at least once a year, in order that he may offer criticisms and advice."

Mr. Bekins said that up to Jan. 1 260 members had begun using the National's master policy of automobile coverage and that in two years' time not one member adopting it had failed to renew.

"The insurance company has now agreed," Mr. Bekins announced, "that on



S. S. David, Chicago, a new director

all future policies they will allow an additional 30 per cent credit on writing the policy, and if for any reason the member's non-use credit does not run up as high as 30 per cent the member will be billed for an additional amount, and if the non-use runs up exceeding 30 per cent the member will receive an additional refund from the insurance company. This, you must bear in mind, first calls for a credit of 30 per cent off the manual rate and an additional 30 per cent off this figure for your public liability and property damage when the policy is written."

Mr. Bekins said the insurance company had decided not to comply with requests by non-members desiring to take advantage of the policy. He believed, however, that some prospective members should have advantage of the policy, and he suggested also that local associations might recommend, to the National, certain moving concerns not eligible to National membership by reason of not operating storage space. Buell G. Miller, Philadelphia, so moved, and the recommendation was adopted with a few negative votes.

While the building insurance division, Mr. Hollander reported, was getting in shape plans for a standard fireproof household goods warehouse, it should be recognized that it would be "impossible financially for the average warehouse-

man to bring his present warehouses" up to such a standard, and accordingly more time should be spent now "in reducing the fire insurance rates on the fireproof storage warehouse already built." He said:

"We must eliminate the unjust high fire insurance rate; and it is unjust because if we paid according to experience our rate would be very low."

Dismissing as not practical an effort to organize an association insurance company, Mr. Hollander said the best way to reduce rates would be to have a majority of the members answer three questions:

1. "How much fire insurance have you carried on your fireproof warehouses for the last five years?"

2. "How much money did you pay in premiums for this coverage?"

3. "How much money did the insurance company pay for your losses during the past five years?"

A recapitulation of the answers to these questions would disclose an astonishingly small proportion of losses against premiums paid, Mr. Hollander believed, and would be evidence so conclusive that "any board of underwriters must surely reduce the rates."

Mr. Milligan, commenting on this report, said that engineers were discovering that the storage warehouse was not the fire hazard that many insurance experts had in years past considered it.

Howard S. Tierney, a New York insurance expert, discussed building standard for board records, and it was voted to have the building insurance committee continue its work along this line.

Reviewing the transit insurance situation, Mr. Burgeson alluded to criticisms "regarding delays in settlement" and said they were due in part to "a misunderstanding of contract conditions" and in part to misrepresentations on the part of members selling this form of coverage.

Accounting—Traffic

A PAPER on "Cost and Accounting" was read by J. R. Zimmerman, Long Beach, Cal., as chairman of the committee handling that subject. He declared that the success of the industry depended on cooperation in further adoption of the association's recommended standard procedures. He said in part:

"As the fundamental basis of our business, accounting should be uniform throughout the industry, so that we could all use the same gauge in analyzing the efficiency of the business. . . . By centralizing the individual results of all operators through a clearing house, providing the results were obtained by standard accounting procedure, the association would have available a research department where members would be afforded the opportunity of analyzing their own results with others' through comparatives, creating a greater efficiency for the industry as a whole. Business advice arrived at through facts and figures would be available and would eliminate guesswork and hunches. . . .

"The more powerful an industry be-



1. O. C. Taylor, Seattle; George W. Jones, Providence; C. E. Withers, Miami. 2. The Hollywood Beach Hotel. 3. Mr. and Mrs. George S. Kingsley, New York; Harry W. Wastie, Brooklyn. 4. P. J. Sullivan, Milwaukee; William E. Cramer, New York; Martin J. Reilly, Baltimore. 5. Floyd L. Bateman, Chicago, a past president of the National. 6. Barrett C. Gilbert, New York. 7. Jack Kessel, Chicago; Arthur C. Smith, Washington, D. C.; Henry C. Goodman, Birmingham. 8. Capt. Connell, Montreal; Walter P. Thiebault, Chicago; John O'Connor, Harrison, N. J.; H. W. Dochtermann, New York. 9. Mrs. Arthur J. Hamilton, Seattle; Mrs. T. F. Cathcart, Atlanta. 10. John B. Baillargeon, Montreal; Walter E. Sweeting, Philadelphia; Fred L. Harner, Philadelphia; Oliver Skellet, St. Paul.

comes, the more apt is the public to demand investigation and control. By having available and giving our own statistics, showing the fairness of our operations, it will tend to defeat Federal control or intervention. . . . The first step in any industry placed under municipal, State or Federal control is the forced adoption of a uniform accounting procedure. . . .

"If we put a foundation of scientific fact-finding before and behind every policy we sponsor we will be guiding our industry clear of rocks along a smooth highway, secure against surprise attacks."

The discussion of traffic was led by M. J. Murray, Chicago, as chairman of the traffic committee, and papers were read by Herbert N. Bragg, New York, on bills of lading; by J. R. Zimmerman, Long Beach, Cal., on service versus

profits; on behalf of Oliver Wogstad, Chicago, on shippers' liability, and by Ernest Chadwell, Nashville, Tenn., on securing good will in handling claims.

Mr. Bragg offered advice as to the proper way for members to make out bills of lading and announced that the carriers had agreed to increase to nine months the time for filing claims.

Mr. Zimmerman in his paper stressed the importance of picking, as van crews, men who work together—men who are "the salesmen of your organization" and who "render the real service by coming in contact with the customer while the work is being performed." He said:

"Their knowledge of the fundamentals of the business is their background for completing the rendering of a satisfactory service. An honest explanation to the customer by a van man goes a lot

farther toward correcting any misunderstanding than a salesman calling and trying to smooth matters over."

Mr. Wogstad said the committee desired "to emphasize to you the importance of using the shipping orders, and in no case allow any shipments to leave your warehouse without having the signature of the owner of the goods, authorizing shipment of same at a declared valuation to be shown on the bill of lading in cents per pound." He concluded: "Remember that the more you dwell on your *reliability*, the greater your assumption of *liability*."

Mr. Chadwell in his talk on creating good will urged honesty in relations with correspondent warehouses, railroads and customers.

Mr. Murray in his report alluded to classification developments and commodity rates and presented figures on

household goods damage and loss as prepared for the committee by A. L. Green of the American Railway Association. During the first nine months of 1927, the figures showed, the railroads handled 37,500 carloads of household goods as compared with 45,360 during the same period in 1926—a reduction of 17.3 per cent—and Mr. Murray commented that part of this reduction might be due to truck movement, with perhaps the association's long distance removals bureaus getting a proportion of the business. He added:

"A comparison of ten months of 1925, 1926 and 1927 shows that the railroads paid out in claims in these months of 1925, \$429,801; for 1926, \$433,531; for 1927, \$442,240. These figures show an increase in freight claim payments for 1927 of 3 per cent over 1925 and 2 per cent over 1926. When we consider the fact that the volume of household goods handled in 1927 was considerably less than in 1926, and the freight claim payments were 2 per cent more, it shows that there has been a great increase in loss or damage to household goods, and this should serve as a warning to watch carefully the preparation of goods for shipment."

Mr. Murray concluded by offering a set of twelve rules for handling loss and damage claims. He asked that these be acted upon at the association's next annual meeting.

Discussing the question "Should a bill of lading be released or charges canceled on telegraphic instructions of forwarding members?" Mr. Aspinwall suggested the possibility of preparing a warehouse telegraph code.

Estimating—Publicity

THE report—read by Mr. Bostwick—of Frederic E. Aaron, Philadelphia, as chairman of the membership committee, said that the committee in its search for prospects had found quite a few "turned down by their State associations, owing to local objection."

"We must naturally abide by their rulings," Mr. Aaron said, "but we would like to caution the local associations not to reject a prospect for petty or selfish reasons. Let's be fair and give the other fellow a chance; if there is the making of a good National member, let's encourage him."

Mr. Aaron urged local association secretaries to "keep unceasingly after every new member" identified with their organizations but not yet members of the National.

The Kansas City plan of estimating was explained in detail by K. K. Meisenbach, Dallas, who said that the uniform packing and estimating committee, chairmaned by Thomas F. Murray, New York, recommended that the plan be tried out by other local associations for six months and reports submitted on their behalf at a future meeting. C. C. Stetson said the plan was highly thought of in the Twin Cities and was being adopted in principle. Carl F. Wittichen, Birmingham, Ala., said the Birmingham local association had adopted

ed the plan, with drayage prices incorporated as an additional feature.

Mr. Gould offered a motion, which was adopted, that it be recommended to local associations that they try out the plan so that the National might eventually indorse it or some similar plan. It was agreed that each city's warehouses should prepare its own schedule of prices.

The nominating committee, headed by Charles S. Morris, presented its slate for election of officers. The election was unanimous. The ticket, headed by William I. Ford, Dallas, as president, is published elsewhere on these pages.

Mr. Ford in his speech of acceptance said the membership had passed on to the directors the biggest year's work in the association's history, and that his first official act would be reappointing the long distance removals committee headed by Mr. Kennelly. He announced that he would serve as president for one year only. He said no other organization in the country had the same fellowship, friendships and cooperation as had the National.

On the final morning of the convention Mr. Blackburn in his farewell talk said the Hollywood convention had been the greatest in the association's activities and he attributed this in part to the committees' efforts in meeting vital problems.

A telegram was read from Walter C. Reid, New York, saying that the association's message of sympathy had acted like a tonic in improving his health.

Morrison C. Wood, in his report as chairman of the publicity committee—read on his behalf by Walter E. Sweeting, Philadelphia—announced that "Let Storage Help You," suggested by the Illinois Furniture Warehousemen's Association, had been selected as the National's slogan. The text originated with the David Fireproof Storage Warehouses, Chicago. Twenty-nine firms and individuals had submitted 121 slogans, Mr. Wood said, and four out of five of the committee, the chairman not voting, had awarded the \$50 prize to the David text.

In response to a request for five-minute talks on household goods warehousing, Mr. Wood reported, only six were submitted, and the one prepared by Henry M. Burgeson, Los Angeles, won the \$50 prize. Mr. Burgeson read his paper at the convention.

Mr. Wood in concluding his report deplored the fact that the committee's direct-mail advertising folders were not being generally used by the membership.

Mr. Burgeson called the association's attention to the fact that a Pacific Coast competitor was giving a piano away each year to customers under a lucky number system and urged that the practice be discouraged. This situation was discussed at length and on motion by Julian M. Gibson the convention went on record as disapproving any method of advertising involving the giving away of prizes.

S. S. David, Chicago, talked on na-

tional advertising, saying the publicity committee desired the members to keep it in mind pending the time when the association should be prepared to go into it. "Economy, utility and convenience of storage should be featured in a campaign in the future," he declared.

It was announced that six \$25 prizes had been awarded, in the following order, to the industry's women who had contested in submitting papers under the general title "From a Woman's Viewpoint Wherein Are Household Goods Warehousemen Lacking in Their Service?":

1. Miss Catherine L. Sommer, O. K. Storage & Transfer Co., Memphis.
2. Miss Helen M. Digan, Haugh & Keenan Storage & Transfer Co., Pittsburgh.
3. Miss Grace M. Page, Fidelity Storage & Transfer Co., St. Paul.
4. Mrs. W. R. Thomas, Lincoln Storage Co., Cleveland.
5. Miss Mattie C. Tomlinson, Gilbert Storage Co., New York.
6. Miss Clara C. Gilbert, Shank Fireproof Storage Co., Indianapolis.

Prizes of \$75, \$50 and \$25 had been awarded, it was announced, to the authors of the three best papers submitted by solicitors and other employees having contact with the public, as follows:

1. J. R. Harney, Park Fire Proof Storage Co., Chicago.
2. Walter R. Foster, Hollywood Storage Co., Hollywood, Cal.
3. E. G. May, Weicker Transfer & Storage Co., Denver.

The nominating committee elections resulted as follows:

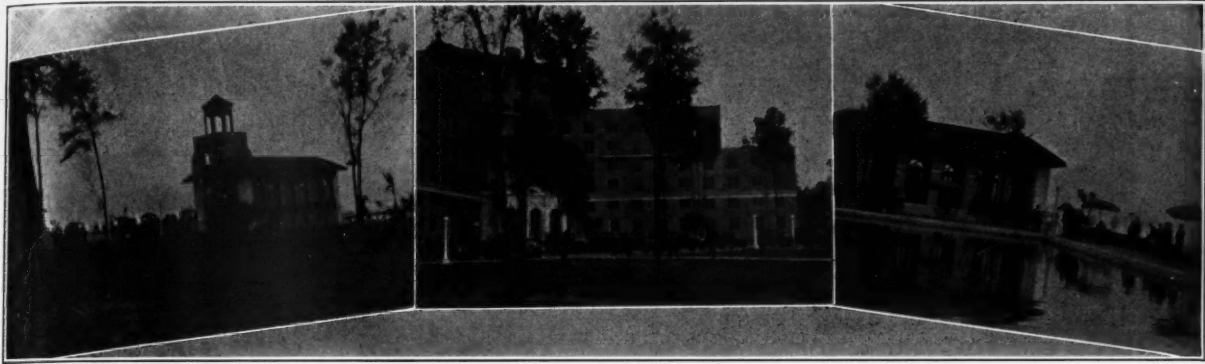
Chairman, William T. Bostwick, New York; eastern division, Walter Sebald, Elizabeth, N. J.; central division, Walter P. Thiebault, Chicago; western division, Judson M. Davis, Los Angeles; southern division, T. F. Cathcart, Atlanta.

Robert B. Hall, Washington, D. C., in his report as chairman of the warehouse construction and operation committee, said that little if any improvement could be made in the general construction of a modern warehouse—that "reinforced concrete construction has practically reached a point of perfection in so far as stability and fire resistance are concerned, and it is improbable that changes of a substantial nature in this type of construction will take place in the near future."

Two developments of importance involved, Mr. Hall said, the porto vault type of storage as worked out by Thomas F. Murray, New York, and "the arrangement of window display space for advertising."

As business conditions were not good in 1927 from the furniture warehousemen's viewpoint, Mr. Hall added, he did not foresee much building activity in 1928. He added:

"It is hard definitely to determine building costs but indications are that 1928 will bring a decrease in the cost of materials as well as an abundance of labor, which of course will tend to lessen construction costs. Due to this fact it looks as if the coming year would be a favorable time to let a contract for a new building. Undoubtedly building



En route to Hollywood many of the National's delegates spent some delightful hours touring Savannah, Ga., by motor car. Above, the General Oglethorpe Hotel, church and pool.

costs will advance with the increased business activity that seems assured in 1929. The average cost of building a warehouse during 1927 was between \$3.50 and \$4 a square foot."

F. L. Bateman, Chicago, brought up the question of avoiding confusion in the election of nomination committees at future conventions. On his motion it was voted that hereafter a voting booth should be set up in the hotel lobby and that nominations should be made on the second day of the convention, allowing members several days in which to cast their votes, the results to be announced on the final day.

Mr. Gould concluded the business meetings by paying a tribute to the retiring president, Mr. Blackburn, in appreciation of his administration. Secretary Wood said that a testimonial along this line would be sent to Mr. Blackburn at his home in Kansas City.

The Banquet, Sports, Etc.

At the convention banquet the incoming president, Mr. Ford, presided, and speeches were made by Judge Porter of the local Municipal Court and John B. Baillargeon, Montreal, who invited the association to hold a convention in his city. With Mrs. David Murdoch, Pittsburgh, at the piano, solos were offered by Henry M. Burgeson, Los Angeles, and Elmer S. Dayer, Buffalo.

The golf tournament prizes were awarded at the banquet by Walter P.

Thiebault, chairman of the golf committee, who recommended that a tournament for the ladies be held at next winter's convention, which appears likely to be held in California. The winners of the tournament at the Florida meeting are Frank H. Hebbard, Chicago; John O'Connor, Harrison, N. J.; Rodney S. Sprigg, Hollywood, Cal.; Raymond McDonald, Detroit; Ray Hall, Duluth; R. G. Weis, Rochester, N. Y.; W. J. Montgomery, Hempstead, N. Y.; Arthur W. Reebie, Chicago; George Winkler, Far Rockaway, N. Y.; Frank Binz, Jr., Sarasota, Fla.; George B. Anderson, Evanston, Ill.; Fred L. Harner, Philadelphia; George Kindermann, New York; Kneeland B. Wilkes, Buffalo; Joseph Cochran, Minneapolis; Charles S. Morris, New York; E. A. Eulass, Chicago; T. Y. Leonard, Detroit; Charles D. Strang, Brooklyn; Ralph J. Wood, Chicago; M. A. Keyser, Salt Lake City; Ben A. Langan, St. Louis; Louis Schramm, New York; Milo W. Bekins, Los Angeles; Albert Kessel, Chicago; R. A. Ford, Omaha; Benjamin F. Brockway, New York (who won *Distribution and Warehousing's* driver); Daniel P. Bray, Kansas City; William I. Ford, Dallas; E. G. Mooney, Hartford, Conn.

During the convention the directors held several meetings and elected eighteen members and accepted six resignations. A number of other applications are pending. The firms elected are as follows:

Toledo Merchants Delivery Co., Toledo; Sprague Storage & Moving Co.,

Highland Park, Mich.; Massillon Storage & Moving Co., Massillon, Ohio; LaBelle Safety Storage Co., Minneapolis; Hahne Transportation Co., Gary, Ind.; Thomas F. Healey & Sons, Brooklyn; Santini Bros., Inc., New York; John Rhoads Co., Philadelphia; Hahn Bros. Fireproof Warehouses, Inc., New York; McCann's Fireproof Storage Warehouse Co., Yonkers, N. Y.; Walter D. Strang Warehouses, Brooklyn; Peter F. Reilly's Sons, Brooklyn; Reliable Van & Storage Co., Inc., Brooklyn; Charles H. Rix, Inc., New York; Charlie's Transfer Co., Birmingham, Ala.; Brandon Transfer & Storage Co., Palm Beach, Fla.; Zaban Storage Co., Atlanta; Benton Bros. Drayage & Storage Co., Savannah.

The companies which resigned are Parker & Gleason Co., Port Chester, N. Y.; Walker Storage Warehouses, Mobile, Ala.; United Warehouse Co., Seattle; Kalamazoo Storage & Transfer Co., Kalamazoo, Mich.; Southern Bonded Warehouse Corp., Petersburg, Va.; National Warehouse Co., New York.

En route to Hollywood the central western and eastern delegates' trains joined at Washington, D. C., and sight-seeing stop-overs were made at Charleston, S. C., and Savannah, Ga. At Savannah the local civic interests entertained the delegates at a banquet held at the new General Oglethorpe Hotel. Speeches were made by S. C. Blackburn, Charles S. Morris, Floyd L. Bateman and others. Following the convention many of the delegates visited Miami, Havana and Bermuda.

Liability Limited to Cost of Telegram in Case of Error

THE United States Supreme Court on Feb. 20 handed down a decision which in effect limits a telegraph company's liability to the cost of a telegram, when there is an error in the telegram.

The highest tribunal thereby reversed a ruling by the Appellate Court in Alabama and upheld an Interstate Commerce Commission regulation.

The case decided by the United States Supreme Court is that of *Western Union*

Telegraph Co. v. C. H. Preister, 183 and 189.

The respondent delivered to the Western Union a message for transmission in interstate commerce by which he offered to sell pecans at 50 cents a pound. In the message as transmitted the word "fifteen" was substituted for "fifty." The message was unrepeated and loss resulted from the mistake.

The Supreme Court held that the case came within the provision of the tariff

and classifications filed with the Interstate Commerce Commission under the Act of June 18, 1910, limiting liability to the amount received for sending the message.

A section of the tariff reads that one of the terms under which the Western Union takes a message for transmission is that "the sender of a message should order it repeated," that is, telegraphed back to the originating office for comparison.

Summary of French Lick Convention of American Warehousemen's Association

By KENT B. STILES

ON these pages this month is set down a summary of what took place at the thirty-seventh annual convention of the American Warehousemen's Association, at French Lick, Ind., Jan. 9-12. The high lights of the meeting were published in the February issue of *Distribution and Warehousing*. Further details are given herewith.

Probably the outstanding feature of what proved to be one of the most constructive gatherings in the organization's history was the action to empower the directors to compile figures showing the average earnings of merchandise and cold storage warehouses, for presentation to the investment banking world in an effort to checkmate building and engineering promoters who hold out exaggerated prospects of profits possible in the operation of terminal warehouse projects. The task of preparing such figures devolves largely on Chester B. Carruth, Chicago, the association's actuary.

Another problem of importance had to do with entrance by the railroads into the warehouse business at non-compensatory rates. Such entrance was declared in a resolution adopted by the merchandise division to be "not a proper function" and as being "inimical" to the established storage industry. Fred R. Long, St. Louis, the division's new president, announced subsequent to the convention that P. L. Gerhardt, New York, had been made chairman of a committee to handle this situation. "We feel that this practice should be condemned by the highest railway officials," Mr. Long said.

A forward step was taken when the merchandise division authorized a special committee to attempt to raise \$225,000 in three years, by volunteer subscription among the division's members, to finance a national advertising

campaign to tell the industry's service story to national distributors. Mr. Long later appointed on this committee Charles C. Daniel, Kansas City, chairman, who had presented the plan at the convention, and W. W. Morse, Minneapolis; E. B. Gould, San Diego, Cal.; Harry D. Crooks, Chicago; R. V. Weicker, Denver; G. J. Hansen, Milwaukee, and Wilson V. Little, Chicago, the division's executive secretary.

The United States Warehouse Act was again the subject of lengthy and moot discussion. Philip L. Godley, Philadelphia, pressed the issue in favor of an effort to test the constitutionality of this statute, under which it is by some warehousemen feared that the Department of Agriculture will attempt to establish a system of storage plants and receipts covering canned foods and other commodities which are not strictly agricultural products. The merchandise division instructed the executive committee to create a special committee either to begin the constitutionality attack urged by Mr. Godley or actively oppose the extension of the Act, whichever in its judgment seemed the wise thing to do, and with the consent of the division's executive committee necessary before any action would be taken. Mr. Long subsequently appointed W. W. Morse, Minneapolis, chairman of the special committee.

Other subjects discussed included income tax depreciation, storage of motor cars seized for the account of the Prohibition Administrator, administration of the customs law with relation to bonded warehouses, the compiling of a specimen tariff, the merchandise division's directory, and the Department of Commerce plan to assemble monthly statistics on goods in storage. (Regarding this last subject, the present status of the situation is set down on page 49.)

AFTER J. Edgar Lee, Chicago, had called the general meeting together on the afternoon of Jan. 9, F. R. Long, St. Louis, made the invocation in the absence of an ordained clergyman. The response was made by E. B. Gould, San Diego, as William B. Harrison, Louisville's warehouseman-mayor, was unable to be present.

Mr. Lee in his report as general president reviewed affairs of interest affecting the association and the warehouse industry. He emphasized that the divisional machinery was operating so smoothly that it had not been necessary to call any meetings of the board of directors during the past year, and that each division was financially on a sound

basis. He believed that "to a considerable extent" the members were meeting the demands of the storing public but that "we have as yet but scratched the surface in our endeavor to create and attract new business;" and that consideration should be given to developing "a safe and practical means whereby we could be of greater assistance to the storer in a financial way, to the end that certain new lines of business may be obtained for storage."

"Continued construction of immense terminal warehouses" constituted one of the industry's greatest problems today, Mr. Lee declared—more particularly ones which "are so overbuilt, in many cases at least, that there seems to be

little hope of full occupancy for them for some time to come." He went on:

"The history of the industry is not one that would seem to warrant the investment of millions of dollars in the construction of such terminals at the costs as set forth in the literature descriptive of some of these plants. A full knowledge of the facts is necessary, however, in each instance before any worth while opinion should be formed.

"It appears that in most instances these terminals have been constructed by interesting investment bankers in the possibility of high earnings from the various services to which they are to be devoted. If such is the case, possibly relief could be obtained through ac-



1. R. B. Young, Savannah; Edward Wuichet, Dayton; A. H. Greeley, Cleveland; John W. Connelly, Hartford. 2. J. Edgar Lee, Chicago, and Elmer Erickson, Chicago, respectively general president and general secretary. 3. S. J. Beauchamp, Little Rock; Mrs. Marie Bowen, Indianapolis; A. H. Greeley, Cleveland; G. J. Hansen, Milwaukee. 4. C. F. Basil Tippet, Toronto, president of the Canadian Storage & Transfermen's Association; W. Dalton, Vancouver. 5. C. A. Aspinwall, Washington, D. C., A. W. A. general treasurer. 6. R. V. Weicker, Denver. 7. H. M. Blackiston, New York. 8. E. A. Howard Baker, Denver; H. D. Crooks, Chicago. 9. Harry Herschman, St. Joseph; George Hamley, Minneapolis; William Crooks, Kansas City; Henry Hiller, San Francisco. 10. Lee Jones, Kansas City; S. C. Tooker, Jr., Chicago; William Huggett, Chicago; Norman Metzger, Indianapolis. 11. Mrs. S. C. Tooker, Jr., Chicago; Mrs. H. D. Crooks, Chicago; Mrs. Roy C. Griswold, Chicago. 12. Mrs. J. Edgar Lee, Chicago; Mrs. Sidney A. Smith and Mr. Smith, Tampa; Mrs. A. J. Walker, Chicago. 13. Mrs. Jones, Wichita; Mrs. Lee Jones, Kansas City; T. G. Bugan, Chicago. 14. Mrs. Elmer Erickson, Chicago; Mrs. Robert Teasdale, St. Louis; Mrs. Melvin Bekins, Omaha; Mrs. George G. Hansen, Tulsa. 15. Mrs. L. Kilbourne, Chicago; Mrs. H. F. Jones, Wichita. 16. Alex. Fleming, Montreal; Frank Kennedy, Toronto; H. J. Crandall, Moline, Ill.

quainting the investment bankers who have specialized in these bond issues with the earnings from a number of modern plants owned and operated by members of this association. The assembling and compiling of this information may be to a very great extent accomplished by our present organization if the members are sufficiently interested to furnish the division offices with the necessary data."

The report of Elmer Erickson, Chicago, as general secretary showed a membership of 569 companies on Nov. 30 last—a net gain of one during the year. Of these, 432 are with the merchandise division and 137 with the cold storage division.

James C. Brown, Baltimore, reporting as the association's national councillor with the Chamber of Commerce of the United States, urged cooperation by the divisional secretaries with the Chamber in disseminating the Chamber's literature to A. W. A. members.

Mr. Lee paid a tribute to George S. Lovejoy, Boston, an A. W. A. past president, who, retired from warehousing, is convalescing from a serious breakdown. John Nichols, Boston, recalling that it was fifty years ago that Mr. Lovejoy started as a boy in the warehouse business, said Mr. Lovejoy was spending January to April in Florida and might reenter warehousing "if rates are not so low that warehousemen will pay for the privilege of storing goods." P. L. Gerhardt, New York, said it had been decided to make Mr. Lovejoy an honorary life member of the association, and he then presented to Mr. Nichols, to pass on to Mr. Lovejoy, an engraved and framed certificate, signed by President Lee and Secretary Erickson, reading:

"To all to whom these Presents may come, Greeting as an expression of the high personal regard in which George S. Lovejoy is held by our members and in recognition of the inestimable service he has rendered to this Association and to the public warehousing industry of this country through his long years of unselfish and devoted effort in their behalf, the Board of Directors on this 20th day of September, 1927, unanimously elected him an Honorary Life Member."

Mr. Lee introduced *Distribution and Warehousing's* contributing editor, H. A. Haring. The president said the association was fortunate in having "someone outside" take "a great and vital part" in its work and said Mr. Haring was "a great student of economics and a great reader and a great writer of articles and books of interest to warehousemen. Mr. Haring then read his paper, "Our Newer Terminal Warehouses," which is published beginning on page 17 of this issue of *Distribution and Warehousing*. Following Mr. Haring's talk Mr. Lee said the problem he presented was of primary importance and that there was no man better qualified to discuss it.

Mr. Gerhardt declared it to be the duty of the association to analyze itself as to whether it was prepared to meet the growth of terminal warehouses and whether it was really giving merchan-

dise distribution today. He thought that many of the terminal projects were being constructed in good faith but that many of them were already wondering what they had got into. He believed it was the association's duty to acquaint investment bankers with figures as to what warehouses today might be expected to yield, even though the members might have to show that their yield was not comparable with the earnings claimed by promoters of the terminal plants.

"Our duty is to go vigorously into that situation," Mr. Gerhardt added. "Meanwhile we must consider our own standards of service as demanded by distributors. In many cases and in many sections we are not giving these services. Acquaint all banks and stock investment companies and you won't have men all over the country eager to promote these terminals."

D. S. Adams, Kansas City, alluded to railroads being interested in the terminals as sources of freight, and believed that the association could well take such instances to the Interstate Commerce Commission.

Frank A. Horne, New York, said with regard to the terminal projects that the preliminary stages had passed and that "the good law of economics will come to our rescue," adding:

"Give the banks a little opportunity for experimentation and the conservative and analytically scientific bankers will find many warehouses already headed for the rocks. Many of the bankers are already finding that this is so. Our good will and experienced management will meanwhile be given consideration by our patrons."

Chester B. Carruth, the merchandise division's actuary, emphasized that the industry should supply facts, as to warehouse earnings, to educate the investment bankers. Alluding to figures made public by the promoters of one of the terminal warehouses, he said he had studied them with relation to the association's standard cost accounting figures and had prepared charts which indicated that some terminal warehouses being promoted were expected to earn 62.77

cents a square foot a year, as compared with 20.82 actually being earned by certain going warehouses. Mr. Carruth's figures were the average of figures turned over to him by merchandise and cold storage plants, including several in Chicago, in the light of their actual experience. His example is set down elsewhere on this page.

Mr. Carruth declared that if the warehousemen of the country would give figures to enable a composite picture of the industry to be prepared, the association would be in a position to place average figures before banks, which then would have something tangible on which to base their judgment.

Mr. Horne suggested that average figures of this character be obtained in all cities. Mr. Carruth pointed out that the figures he presented, based on reports from certain going concerns, were above the average as to earnings, and that a composite picture should show a lower average.

Mr. Gerhardt moved that the association's directors be empowered to prepare such figures and take steps to prepare pamphlets, articles, etc., and disseminate the information to the investment and general public. This motion was adopted.

This discussion closed the first general session and the merchandise and cold storage divisions held their own meetings during the ensuing few days. The general session was resumed on the afternoon of Jan. 12, when Gardner Poole, Boston, chairman of the resolutions committee, presented a memorial, which was adopted, alluding to the deaths of members during the previous year—John C. Crothers, I. C. Chase, Elmer M. Hill, Theodore F. King, John T. Malone, J. B. McClaren, Ralph J. O'Neil, J. Frank Rushton, E. S. Sensenig, S. J. Westheimer, George F. Roth, Charles G. Wightman and Douglas Buchanan. W. I. Ford, Dallas, offered a motion, also adopted, in memory of D. R. Benedict, who was secretary of the Southern Warehousemen's Association.

Announcements were made as to the results of the elections at the divisional meetings, and the association's general

New Terminal			
	Cold Storage	Merchandise	Combined Average
Rent	69.63	34.88	54.05
Operating	40.83	21.86	32.32
Total	110.46	56.74	86.37
Revenue	222.23	59.34	149.14
Profit	111.77	2.60	62.77
Going Concerns			
	Cold Storage	Merchandise	Combined Average
Rent	64.63	24.78	46.75
Operating	48.83	37.05	43.55
Total	113.46	61.83	90.30
Revenue	142.40	72.69	111.12
Profit	28.94	10.86	20.82
New Terminal (Revised)			
	Cold Storage	Merchandise	Combined Average
Profits would be only.....	23.94	.76	13.52
After New Terminal's Stock Investors Have Been Taken Care of, as Advertised:			
Payable to holding company.....			20.83
Profit from operation.....			13.52
Deficit			6.51



1. E. V. Sullivan, Philadelphia; R. H. Switzler, St. Louis; Mr. and Mrs. Fred Kedney, Minneapolis; Henry Hamilton, Baltimore.
2. Mr. and Mrs. P. L. Gerhardt, New York. 3. H. F. Jones, Wichita; George Love, Detroit; E. B. Busby, Detroit; Harold Brown, Detroit. 4. H. A. Haring, contributing editor of Distribution and Warehousing; J. F. Ronin, Albany, N. Y. 5. Fred R. Long, St. Louis, new president merchandise division. 6. A. J. Walker, Chicago; Sidney A. Smith, Tampa. 7. Mrs. William B. Mason, Providence; Mrs. B. S. Baer, Wheeling; Mr. and Mrs. C. B. Hall, Danville, Ill.; Mrs. F. W. Berry, Cincinnati. 8. W. L. Hinds, Des Moines; W. W. Morse, Minneapolis; Mr. Aday, Edgerstown, Md.; William B. Mason, Providence; John Nichols, Boston. 9. R. M. Tyler, Boston; Mrs. B. R. Gage, Boston. 10. H. H. Hardy, Lansing; E. F. Raseman, Kalamazoo. 11. Homer McDaniel, Cleveland; Mrs. D. H. Van Name and Mr. Van Name, New York. 12. Mrs. Norman Metzger and Mrs. William J. Hogan, Indianapolis. 13. Mrs. J. Edgar Lee, Chicago; Mrs. A. J. Walker, Chicago. 14. B. S. Baer, Wheeling; C. A. Ullman, Peoria; Leonard Mandel, Brooklyn; C. B. Hall, Danville, Ill.

officers were elected. These complete lists were sent down in the February issue of *Distribution and Warehousing*—Mr. Lee being reelected general president; Mr. Long being elected merchandise divisional president, and Mr. Poole cold storage divisional president.

Mr. Erickson read letters and telegrams extending invitations for the 1929 convention. The cities sending bids include San Francisco, Philadelphia, New Orleans, Detroit, Estes Park (Colo.), Amarillo (Tex.), Springfield (Mass.) and French Lick, with Dallas seeking the 1930 convention through Mr. Ford, who said that the National Furniture Warehousemen's Association also would be invited to Dallas in 1930.

President Lee closed the general meeting by announcing that Mr. Erickson had consented to continue as general secretary.

Merchandise Division

OPENING the sessions of the merchandise division as its president, P. L. Gerhardt in a report running some 13,000 words reviewed the division's activities and touched on the major problems. He discussed in detail such subjects as the War Department leases of Army base properties; terminal warehouse construction; railroad competition; the Federal Warehouse Act; misapplication of costs in basing rates; membership directory; ports and port terminals; and business conditions throughout the country.

Regarding the Army base situation, Mr. Gerhardt at the close of his paper told of a recent conference which he and D. L. Tilly and A. C. Pouch of New York had had with War Department officials in Washington and said that he had subsequently received word that an investigation would be made of the circumstances under which a certain one of the bases was leased. Pending the outcome of this assured inquiry, the division refrained from taking any action, but it was indicated that there were possible plans of appealing to the President of the United States or to Congress if the relief sought by warehousing from this phase of allegedly unfair competition should not be forthcoming.

Alluding to terminal warehouses, Mr. Gerhardt expressed opinion that "those who have supplied the money in some of these projects have learned a very severe lesson and they will not be led into such an expenditure in the future without further advice and assistance in the matter." He said the industry did not object to "fair and proper competition," which he declared was "an incentive to increase the efficiency of our business."

Regarding entrance into warehousing by rail and water common carriers "by the offering of railroad space for in-transit storage at ridiculously low rates" and in other ways, Mr. Gerhardt said this situation should if necessary be taken to the Interstate Commerce Commission, for—

"If the carriers really believe they can do a service to the shipping public of this country by building modern facilities they certainly are under an obligation by the Interstate Commerce Commission to operate such facilities only at reasonable profit."

Following Mr. Gerhardt's report, D. S. Adams moved that a resolution be adopted in effect that further entrance by railroads into warehousing was not a proper function and would be detrimental to the industry. This was referred to the resolutions committee, headed by W. W. Morse, Minneapolis, which subsequently brought in a resolution which the merchandise division adopted, as follows:

"Whereas, That it is the sense of this meeting that further entrance of railways into the warehouse business is not a proper function of railway companies and inimical to the warehouse industry; "Resolved, therefore, That the executive committee of this division be instructed to take the steps suggested by the president in his report or any other they see fit to prevent further entrance by railway companies into the field of warehousing unless done with due regard to costs on a fully compensatory basis and in conformity with approved practices of local associations."

The "steps suggested by the president" in the foregoing refers to Mr. Gerhardt's recommendations in his report, to the effect that relief should be sought first by placing the situation before the railroads' presidents and associations and, that failing, before the I. C. C.

Wilson V. Little, Chicago, in his report as the division's executive secretary, explained in detail the duties involved in a year's time. He painted a picture of what goes on in the headquarters office in Chicago. Alluding to inquiries received there, he commented that the public warehouse industry had become a subject of study and inquiry as never before on the part of educational institutions, and said the industry was getting more favorable publicity in magazine and newspaper articles than formerly, the information being furnished in part by the Chicago headquarters.

Mr. Little recommended that committees representing the merchandise and cold storage divisions cooperate in revising the pamphlet "Warehouse Receipts as Collateral," published by the association some years ago. The demand for this document, now exhausted, was continuing, he said, and there was a quite evident need for it.

C. F. Basil Tippet, Toronto, president of the Canadian Storage & Transfermen's Association, was at this point introduced by Mr. Lee. Mr. Tippet said it was considered a great honor by Canadian warehouses to be affiliated with the A. W. A.

George A. Rhame, Minneapolis, outlined the scope and purposes of the association's official organ, *The Merchandise Warehouseman*, of which he is business manager and associate editor.

Chester B. Carruth, Chicago, presented his report as actuary, outlining his activ-

ities during the year. He urged that the various State and local associations arrange their convention dates so as not to conflict, in order that the American's headquarters office might be represented at each.

Mr. Carruth then read a paper on "Standardization of Depreciation Allowances for United States Income Tax Purposes," in which he explained that the Treasury Department was cooperating with trade associations to establish uniform depreciation charges in an effort to effect a greater equity in the collection of income taxes by eliminating the present unfairness resulting from divergent rulings of examiners and effect also savings in expenses to taxpayers and the Government. "We are offered a valuable opportunity which we cannot by any means afford to ignore," Mr. Carruth said, urging that the American join in the movement through having a special committee appointed to serve, and announced that three Chicago warehousemen had agreed to constitute the committee—Wellington Walker, Charles W. MacDonald and Harry D. Crooks. He explained:

"It is the purpose of the committee to draft a list of depreciable items and their longevity as based upon their experience, together with a statement of accounting principles. This material will then be sent to a selected list of members who will be asked to check it carefully, to criticize it and to add any items they deem proper, together with longevity, in the light of their own experience. . . . Each item will be studied and an average depreciation charge worked out, although such an average will be a 'weighted' one based on preponderance of experience. . . . The final draft will embody a list of depreciable items together with a prescribed range of depreciation rates for each item and a statement of accounting principles."

Once this draft has been approved by the Treasury Department, Mr. Carruth explained, the warehouseman may, in making out his income tax, "apply as against a given item any depreciation rate he pleases so long as the rate applied falls within the prescribed limits, and be assured that the rate applied will be acceptable to the Department. If, however, he depreciates an item at a rate that falls outside the prescribed limits, he will be called on to substantiate his rate." He added:

"There are many depreciable items which are common to other branches of our industry. There must be uniformity in rates within the industry as a whole; consequently your committee will cooperate with the committee representing the cold storage division and with the National Furniture Warehousemen's Association."

Storage of Seized Trucks

Mr. Nichols offered a resolution, which was adopted, authorizing cooperation by the Chicago committee.

There followed extended discussion of the perennial but unsolved problem of small lot deliveries and compensation



1. Group of members of Distribution Service, Inc. 2. Al. Gibson, San Francisco. 3. In the background the French Lick Springs Hotel. 4. William J. Hogan, Indianapolis. 5. Mrs. J. Edgar Lee, Chicago; A. K. Murray, Brooklyn, business manager of Distribution and Warehousing; Mrs. A. J. Walker, Chicago. 6. A. C. Pouch, New York. 7. Where Pluto originates. 8. George A. Rhame, Minneapolis, W. D. Leet, Chicago, western manager of Distribution and Warehousing. 9. Mrs. J. Edgar Lee, Chicago. Mrs. Sidney A. Smith, Tampa; Mrs. A. J. Walker, Chicago.

therefor, led by Mr. Ford. Numerous and varied opinions and suggestions came from the floor, but no action was taken.

"Trade Practices in the Warehousing of Seized Automobiles and Trucks for the Account of the Prohibition Administrator" was considered. Secretary Wilson read the text of the Government contract covering dead storage of confiscated vehicles, and pointed out that there was nothing in it to indicate who pays the charges, how long the cars were to remain in storage, or even whether the Prohibition Administrator had the authority to put such cars into storage. Mr. Ford offered a motion, which was adopted, that the secretary be instructed to attempt to work out some sort of uniformity with the Government.

The report of Harper A. Holt, New York, as chairman of the merchandise division's committee on bonded ware-

houses, was read on his behalf by a committee member, Jay Weil, New Orleans. It included a memorandum which, addressed to the House (Congress) Ways and Means Committee, was expected, the chairman said, "to prove the basis for legislative enactment which will result in improved laws affecting bonded warehousemen." This memorandum proposed changes in the administrative provisions of the customs law pertaining to public bonded warehouses. Mr. Holt explained:

"The changes recommended are constructed to produce a result whereby the warehouseman will be protected in the storage of bonded goods to an extent equal to the protection afforded the warehouseman in the storage of free merchandise. . . . The changes proposed will go far toward enabling the bonded warehouseman to feel assured that he

will be protected on the matter of his charges for storage and labor on bonded goods, whether stored in general order or pursuant to a warehouse entry."

One change would provide that "the period at the expiration of which merchandise shall be deemed abandoned to the Government be reduced from one year to six months," as under the present procedure, Mr. Holt pointed out, the warehouseman must wait for from fourteen to eighteen months before recovering storage charges. To accommodate this proposed change the committee incorporated a plan to provide a special fund out of which the necessary disbursements would be made without the disbursements constituting an expense on the Government's revenues.

The proceeds of sale of bonded merchandise are at present disposed of by an application of these proceeds to the pay-

ment of the duties prior to the payment of warehouse charges. The committee recommended "that this preference be inverted," declaring that "it is the warehouseman to whom primary consideration should be given."

With regard to the present provision dealing with merchandise stored in bond under a permit, the committee recommended a statutory change which would result "in a foreclosure of the warehouse lien in collaboration with the foreclosure of the Government's lien for duties when the bonded warehouse charges shall have remained unpaid for a period of six months."

The committee suggested further that the Government assume the expense of storekeepers' salaries.

On motion by Mr. Nichols the Holt report was adopted as read.

The Specimen Tariff

The report by T. E. Witters, Baltimore, as chairman of the Central Bureau committee, was read by Samuel G. Spear, Boston. A feature of this was the chairman's review of the efforts to develop a specimen tariff. The committee had decided, he said, that "for the purpose of constructing the specimen tariff a basic density figure should be used that would automatically eliminate computations involving floor load and pile height." Mr. Witters continued:

"It was also decided that the working tables be constructed to conform to the so-called 'cumulative percentage' plan and that 20 per cent steps be used. It was decided that the package rate table have 'projected' rates contrarywise to the current 'projected' weights of the Encyclopedia tables. The committee decided no rates would be set up in the specimen tariff on a basis lower than 7 per cent per square foot. It was also decided that rates would be shown in decimal form. It was decided that the accurately computed decimal portion of each package rate be altered, when necessary, to conform to the following schedule:

- "1 on packages rating up to 1 cent.
- "2 on packages rating over 1 cent up to 10 cents, except where the decimal is computed at .5.
- "5 on packages rating over 10 cents up to 20 cents.
- "1 cent on packages rating over 20 cents.
- "Minimum charge, .5.

"It was decided to adopt a Standard Basic Density of 34.5 lbs. per cubic foot with a rating balance of 250 lbs. It was also decided that the current so-called basis of charge of 7.5 cents per square foot, 9.0 cents per square foot, etc., be hereafter set at $\frac{1}{2}$ such figures. It was tentatively agreed that three bases of charges for storage and three for handling would meet the necessities of this tariff. It was also tentatively agreed that the tariff should carry classifications as well as rates, and that tables for classifying by density and rating packages be provided."

Following discussion, the report was adopted, carrying with it authorization to the committee to carry on its work.

The report of the special committee on

the operation of the United States Warehouse Act was presented by the chairman, James C. Brown, Baltimore, who reviewed in detail the history of the situation as developed by correspondence with the Department of Agriculture, and stated he believed it unwise for the association to take any action which might disrupt the "pleasant relationship" which had been established between the Department and the association.

An interesting talk on hand-to-mouth buying and its effect on warehousing was made before the merchandise division by A. R. MacDonald of the A. W. Shaw Co., Chicago, publishers of *The Magazine of Business*. Choosing as his subject "An Opportunity the Trend of Business Offers the Merchandise Warehouseman," Mr. MacDonald declared that it was beyond question that the narrowing profit margins which business everywhere was meeting, caused by hand-to-mouth buying, together with the problem of distribution and its costs and the demand on the part of everyone for service, were business factors of which the warehouseman should be taking advantage—"not only locally as individual enterprises, but nationally as an association."

The speaker gave two synonyms for hand-to-mouth buying—one, controlled purchasing; and the other, thumb-to-nose buying. He declared it "an absolutely natural development of business," and that it had come to stay and that it was a healthy condition economically and would do much to iron out the production peaks and valleys.

"As to the place that should be taken by the public merchandise warehouseman and how to take advantage of the situation growing out of controlled purchasing—that is up to you," Mr. MacDonald said. "But it would seem to me, and to anyone else who has an understanding of the demands of distribution—to anyone who has an appreciation of the advantages of strategically-located stocks of raw materials or completed merchandise—that hand-to-mouth buying offers a distinct advantage to an association of warehousemen who are on the job with facilities for serving the needs of seller and buyer alike.

Sound Merchandising

"Of course, under hand-to-mouth buying the manufacturer in turn has a problem. He is endeavoring to manufacture in line with demand. And in the case of style merchandise it is paramount that he keep his stock of completed goods as low as he possibly can. But, again, manufacturer and distributor and merchant-seller alike are awake to the opportunity on the one hand for advantageous quantity sales and on the other for advantageous quantity purchases. This is all in line with soundly aggressive merchandising, and it would seem that warehousemen had a distinct opportunity for meeting the requirements of the one for a point of shipment and the demands of the other for a source of convenient supply."

Mr. MacDonald suggested that the association appoint or employ competent

marketing survey service not only to analyze the market for the industry, but, after the analysis should be made, to formulate certain principles of service and remuneration, of handling and billing, "which would enable you to meet the demands of your market as closely as humanly possible in view of territorial limitations and other factors, and to give a national rather than a limited local complexion to your dealings." He added:

"If you are ready, if you can tell the story of your service so that our manufacturer in Newark and our retailer in Keokuk can take advantage of it, then you are ready to carry on your service, extending its influence and projecting its functions—all at a cost which must mean a real saving of both time and trouble to the manufacturer, his distributor, his wholesaler and his retailer.

A "Bag of Tricks"

"And it is not enough that you equal the service he has been getting in the past. You must find ways and means of improving that service and of decreasing the cost thereof, to make it attractive for him to change. . . .

"The trend of business today has made it possible for you of the American Warehousemen's Association to draw from your bag of tricks something new that can prove of service to business and of profit to both business and yourselves. This can be one of the greatest functions of your association, but a function the success of which depends on the vision of every one of your members and upon your willingness to get behind the future of your organization with facilities and finances adequate to meet demands which the trend of business today is bound to exact. And if you do not extend your influence, if you do not progress and profit accordingly, what then?

"The trend of business today indicates definitely that the business which only holds its own soon wakes up to the fact that it has nothing of its own to hold."

The following morning's session—with F. R. Long presiding in the absence of Mr. Garhardt—opened with further consideration of the Federal Warehouse Act. Philip Godley, Philadelphia, read a paper in which he attacked the legality of the statute and offered a motion that the divisional president be authorized to appoint a committee to retain counsel to start action to test the constitutionality. Speakers discussed the problem pro and con, several indicating their fear that the Act would be broadened in scope to include canned foods and other commodities not strictly agricultural in character.

Samuel G. Spear, Boston, maintained that opposing the Act would be opposing a great economic advance that had been made for farmers and producers and which the Government would feel constrained to advance regardless of any amount of money the association may spend in opposition. If the association sought to test the Act's constitutionality, Mr. Spear said, the association would be branded in Washington and elsewhere as a selfish body of men.

Jay Weil believed that the principle in-

volved was that of Government competition in business and not one of helping the farmer at the expense of warehousemen already in business.

Mr. Godley and his associates on a committee created to handle the situation withdrew to prepare a substitute resolution. This, brought in later, was adopted by a vote of 26 to 16. It reads:

"Whereas, the special committee of the merchandise division having presented to Secretary Jardine of the Agricultural Department the specific question of constitutionality of the Federal warehouse Act and his reply thereto lacking in definite answer and without opinion of the U. S. Attorney General, therefore, be it

"Resolved, that the executive committee of the merchandise division be and is hereby authorized and instructed to appoint a committee of three who shall, by and with the advice and consent of said executive committee, arrange on the best obtainable terms for counsel to begin proceedings in the Court for a determination of the constitutionality of the Federal warehouse Act and/or actively to oppose the further extension of the Federal warehouse Act."

"Paternalism"

Mr. Godley in his paper had called attention to H.R. Bill 344 to provide for the Government to build warehouses in conjunction with the several States for the storage of farm products not perishable. "While the products mentioned are grain, baled cotton, broom corn, wool and any other non-perishable farm products," Mr. Godley said, "the Department of Agriculture is empowered to determine what farm products are suitable for storage."

"More Federal paternalism! This bill is undoubtedly unconstitutional. . . . The final section attempts to tie it in with the Federal Warehouse Act, and what the ultimate effect may be no man may foresee."

After the Godley resolution had been adopted, Mr. Spear suggested that the executive committee give the House bill consideration.

Reporting as chairman of the publicity committee, E. A. Howard Baker, Denver, outlined the proposed merchandise division membership directory. (The major details were set down in the February issue of *Distribution and Warehousing*.) The members voted approval of Mr. Baker's plan.

A. Lane Cricher of the Transportation Division of the Department of Commerce explained the plans for compiling monthly statistics on goods in storage and handled in and out. (The present status of this situation is set down on page 49.)

E. A. Duddy, marketing professor of the School of Commerce of the University of Chicago, reviewed his recent studies of terminal marketing in relation to merchandise warehousing in Chicago, in order to determine the industry's importance locally in Chicago. He commented that the statistics being compiled by the Government should be of particular value in any publicity campaign which the association might undertake. He estimated there were

75,000,000 square feet of merchandise warehouse space in the country.

Samuel G. Spear in his report as chairman of the ports and port terminals committee reviewed the I. C. C. hearings on the problem of railroads' charges for wharfage, handling, storage, etc., at Atlantic and Gulf ports and explained the association's participation, through counsel and the committee, in the proceedings.

"Your committee recommends that \$2,000 be appropriated for the carrying on of our fight," he said in conclusion. "We feel that our attorney, Mr. Cotterill, has been diligent in handling our case and has taken care of all matters per-

Jay Weil



Distribution Service, Inc., elected Mr. Weil its president at its annual meeting at French Lick, Ind. He is vice-president of the Douglas Public Service Corp., Inc., New Orleans.

taining to it in a very able and dignified manner. It is with sincere regret that we cannot report a decision at this time but the delay has not been chargeable to this committee or our counsel. There should be no relaxation in our efforts to force favorable action on this most important matter. We recommend that its extension to the Lake ports await a decision on the present docket, realizing however the great need of relief to our members on the Lakes."

The subject which had interested the special Lake ports committee the most during the year, the chairman G. J. Hansen, Milwaukee, reported, was "the free storage proposition on merchandise received from Lake ports and stored by receiving railroads and boat lines for a period of thirty days or longer free of charge." This problem was taken to the Western Trunk Line Committee, resulting in a hearing, last September, at which sugar refiners, flour milling industries and others took the position,

Mr. Hansen said, "that their industries would have to suspend business unless they received this item of free storage from the railroads."

Mr. Hansen reported that he withdrew the application for a revision of the tariff after he learned that any suspension ruling would not affect Lake Superior ports and many other ports, as he believed that "a ruling of this kind would be of no value unless it was universally adopted."

The chairman added that he had requested the Interstate Commerce Commission to include Lake ports in the docket covering conditions at the Atlantic and Gulf ports but up to the time of preparing his report he had heard nothing definite on this point.

Following election of the division's officers, the report on behalf of the committee on banks and warehouses was read on behalf of H. E. S. Wilson, Hoboken, N. J., who reiterated Secretary Little's earlier suggestion that the document "Warehouse Receipts as Collateral" be revised and printed.

After explaining the cooperative movement between bankers, merchants and warehousemen in the New York metropolitan district with regard to strengthening the warehouse receipt, etc., Mr. Wilson recommended that similar movements be started in other large communities to the same purposes.

Advertising

On motion by D. H. Van Name, New York, it was voted to suggest to the general board that the association's annual meetings hereafter begin on Tuesday instead of Monday. This would permit the American Chain of Warehouses and Distribution Service, Inc., to hold their annual meetings on the Monday preceding the A. W. A. convention.

A plan for advertising merchandise warehousing on a national basis was presented by Charles C. Daniel, Kansas City, and was adopted in principle, with only one dissenting vote, following a motion by Mr. Ford that the divisional president be authorized to appoint a committee which should formulate a campaign, outline methods and raise a fund, after which the committee should report to the executive committee and the latter would be empowered to act.

Under Mr. Daniel's proposed plan \$75,000 a year for three years—or \$225,000 in all—would be raised among the division's members by popular subscription and this would be used to tell the industry's service story to national distributors.

Harry D. Crooks in his report as chairman of the insurance committee said he was convinced that "we will never see uniform rates or conditions applying to all States unless the matter is handled by the Federal Government and this will hardly come to pass as insurance problems are the individual States' rights to reckon." He called attention to a new form of coverage—insurance against damage caused by airplanes, adding:

"It happens that our South Side warehouses in Chicago are close by a land-

ing field and airplanes are flying over our property constantly. For 10c per hundred or \$1 per thousand or a total cost of \$50 we bought \$50,000 worth of protection. This seems like a lot of insurance but as the cost was so cheap we insured for this amount."

The merchandise division sessions closed with a discussion of office forms and methods.

Cold Storage Division

THE cold storage division sessions had attendance unusually large for an annual meeting. Harry C. Lewis, New York, in his report as divisional president, urged the adoption of a closer study of costs of operation in order successfully to combat new warehouse promotions. He emphasized also the danger of excessive advances to influence the storage of goods, declaring that the demand for high advances was "usually from concerns whose financial responsibility and credit risk do not warrant such accommodations."

The shortage of some commodities in which there was last year an underproduction brought about unfavorable situations in some sections, Mr. Lewis said, but he pointed out that "a warehouseman can no more give one dollar's worth of space and service for fifty cents than a merchant can sell his wares below cost and remain in business."

The report of Ralph C. Stokell as the division's executive secretary reviewed the year's activities. Alluding to public relations, he suggested there should be a continuance of articles of an educational nature which would acquaint trade groups with a better understanding of cold storage warehouse service. "Interchange of thought on problems of prime interest to the customer and warehouseman alike," he said, "will tend to a smoother working and better understanding as well as better service to the owner of the commodity stored."

On the subject of research, both from a scientific and commercial aspect, Mr. Stokell's report was by way of an introduction to the addresses and discussions which followed, covering such topics as research work in poultry and eggs; educational trends in refrigeration; problems in economic research and investigation; investigational work on fruits and vegetables, and broadening of cold storage service. Following discussion of these subjects and reports recommendations were made that a committee be created to undertake to accomplish something with regard to the suggestions made by the various speakers, who included L. B. Kilbourne, chairman of the board of the United States Egg Society; Frederick Siebel, president of the Siebel Institute of Technology; E. A. Duddy, marketing professor of the School of Commerce of the University of Chicago; R. H. Switzler, St. Louis; Dr. Lon A. Hawkins, Department of Agriculture, and H. J. Zwicker, Louisville, Ky.

The standard forms as approved by the Department of Commerce were considered and approval was given to Mr.

Stokell's recommendations that certain forms be omitted and that others be retained with slight changes, and that preparation be made for a revision conference on the subject.

Following committee reports and reports of business conditions Mr. Stokell talked on "Why We Need a Universal Accounting Language in Our Industry." He stressed the need for the adoption of the fundamentals which form the basis of the association's cost manual and stated that without the use of a universal language it would be impossible to interpret cost results to determine the relative efficiency of plant operations.

Before electing its officers, headed by Gardner Poole, Boston, as president, the division changed its by-laws so as to permit election of its treasurer either from within or without the executive committee membership. This paved the way to the selection of Mr. Stokell as the division's treasurer, as it transpired that he was retiring as executive secretary, effective Feb. 15, to become associated with the National Cold Storage Co., New York City. A resolution was adopted expressing appreciation of his services, as follows:

"Mr. Stokell came to his place of leadership in the division with special training and experience in this field of work and has grown in effectiveness during his term of office. His conduct of the affairs of the organization in the interests of the cold storage industry, has been eminently successful and productive of great good to all our members and the wider range of contacts in our affiliations. We thank Mr. Stokell for his untiring labors and rejoice that we are to continue our fellowship with him as a member of the division. We express the hope that he will be equally successful in his new connection in the cold storage industry."

Convention Notes

The American Chain of Warehouses and Distribution Service, Inc., each held its annual meeting during the week at French Lick. Edward Wuichet, Dayton, Ohio, was reelected president of the Chain. "DSInc" elected Jay Weil, New

The 1928 Directory —Consult It!

The January issue of *Distribution and Warehousing* was not a monthly number alone.

It was—and is—a year-round reference volume, because—

It lists the reputable warehouses of the United States and Canada and gives information as to the facilities and services of those firms.

It is a book invaluable to distributors and warehousemen who have shipments to send.

Consult the 1928 Directory when making shipments!

Orleans as president. (The list of the officers of those two organizations was published in the February issue of *Distribution and Warehousing*.)

The A. W. A. banquet was held on the evening of Jan. 10 with President Lee presiding. The speakers were F. Harold Van Orman, Indiana's Lieutenant-Governor, and Jess Pugh, a humorist of Rushville, Ind.

"The Warehousemen's Minstrels," produced one evening by J. Edgar Lee, P. L. Gerhardt, Harry C. Lewis and Elmer Erickson, and directed by Sidney A. Smith, provided an entertainment unprecedented in the association's convention activities.

According to Elmer Erickson, general secretary, the convention was attended by 175 members and 36 guests—a total of 211 persons.

William I. Ford, Dallas, who the following week was elected president of the National Furniture Warehousemen's Association at the latter's convention in Hollywood, Fla., announced during one of the discussions that although he was a Texas Democrat he was for Herbert Hoover for President of the United States.

Tippet Organizes New Firm

The Howell Warehouses, Ltd., Toronto, has separated its merchandise and household goods departments through the organization of a new firm known as Tippet-Richardson, Ltd., which is now conducting household goods warehousing, leaving the merchandise end of the business in the hands of the Howell company.

The Tippet-Richardson firm, with address at 218 East Front Street—the same business address as that of the Howell company—was formed by C. F. Basil Tippet and C. A. Richardson, respectively president and vice-president of the Howell concern.

Mr. Tippet is president of the Canadian Storage and Transfermen's Association.

Yakima Company Loses Suit Over 1919 Income Tax

Distribution and Warehousing's
Washington Bureau
1163 National Press Building

THE Yakima Transfer & Storage Co., Yakima, Wash., lost its income tax suit involving a deficiency of \$107.28 for 1919 under a recent decision of the United States Board of Tax Appeals.

In 1919, when J. J. Crawford and William Norton incorporated the Yakima company, the total value of the assets acquired was entered on the books of the corporation at a value greater than their cost to the partnership, the Board found. The Commissioner of Internal Revenue disallowed the appreciated assets and reduced the depreciation deductions accordingly, determining the deficiency in question.

The Board upheld the Commissioner and gave judgment against the storage company. The Board held it was without jurisdiction over an over-assessment made in the year 1920 claimed by the petitioner.

—P. G. L.

Keeping Up With the Developments in the Motor Truck Field

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor hauling. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Finding New Answers to the Question, "What Does a Truck Cost?"

The National Truck Show. Compulsory Insurance. New Models.

FROM a mass of confusion surrounding the subject of motor truck cost figuring there is gradually evolving something that looks as though it might soon become a workable, standardized, truck-cost practice. It is a development to clear up the haze of cost-keeping methods, long-needed by operators of trucks who aim to know their costs and to make comparisons between various types of equipment. It is receiving the interested attention of the best minds in the truck transport field. It should be important to every warehouse executive who wants to keep up with the times as far as truck delivery is concerned.

A committee of the Society of Automotive Engineers is at the present time working on a project which, it is hoped, can be made into a definite plan to be recommended generally to truck operators in all lines of business. It is hoped that a basis can be agreed upon where-by comparisons of truck costs can be drawn between concerns in different lines of business and between con-

cerns in the same line of business. Such a basis, involving one single method of computing costs for all truck users, would have an invaluable benefit. It would permit a basis to be established which would serve as an index or guide of average costs for any truck operator's use.

Many agencies and men who are concerned with better truck transport methods are cooperating with the Society of Automotive Engineers. Truck manufacturers are studying installations of their vehicles in different businesses and are making recommendations of their own as to how costs can best be considered. Individual views on the subject are always welcomed. If you, as a user of equipment, have opinions or experiences which will shed light on the problem, address them to the writer in care of *Distribution and Warehousing* and he will see that they are passed on to the maintenance and operating committee of the Society of Automotive Engineers which is studying the problem.

New Needs of Cost Records

THUS far, according to a recent report of the S. A. E. study, such efforts as might be called constructive and adequate methods of meeting present-day cost-keeping needs have been undertaken by a few pioneers only. The great majority of truck users are clinging to methods which have become habits and which have long ago outgrown any semblance of efficiency. They are loath to give up the home-made, cut-and-dried methods which they have adopted for their own use. In many cases, of course, these methods give sufficient data for comparative purposes within the particular fleet in which they are collected; but, even where this much is true, they are of no value whatever for a comparison with another fleet in the same line of business in another section of the country. They contribute nothing toward establishing a basis or index for widespread comparison.

A brief history of the development of truck use will show clearly how the present turn of affairs has come about. It will, moreover, indicate what the need is today and how it can best be met.

The first installations were naturally of a piecemeal nature. One vehicle was purchased at a time and each unit was considered the subject for a self-contained system of financial and performance records. This method became firmly grounded and developed into a habit long after it was outgrown. It was still retained even when the first few pieces of equipment had gradually developed into an essential part of the organization.

But it was soon discovered that this haphazard method was not in harmony with other departments of the business. The other departments set an example of more rigid cost knowledge and the need was commonly felt to provide some measure of efficiency in cost-keeping for

trucks which would be on a par with the cost-keeping methods in other departments.

Coupled with this is the fact that it has long been considered a custom in manufacturing and merchandising processes to maintain records of detailed expense information for a given job, article or service process and thus to analyze such expense into its component parts. This, likewise, has influenced truck cost-keeping methods to the point where users of vehicles are inclined to recognize the value of records (if it were possible to obtain these) which would accomplish the same purpose in the delivery division of the business. Heretofore the best that could be done was a matter of more or less refined guesswork, with all possible inaccuracy kept within reasonable bounds.

So what is really needed today is a method of unit comparison which can be standardized as far as all types of local

conditions, all variants and all methods of calculation are concerned. In reaching such a goal, one point at least seems to be now generally agreed—that the first step in the process is the establishment of a uniform basis of cost-keeping which will be alike for all businesses and which will be flexible and usable to any size or kind of business that uses trucks.

Old Methods Inadequate

SOME years ago, some one, in an apparent effort to establish such a unit basis, conceived the idea that truck costs were "ton-mile" costs. This basis, for some lines of business, seemed at first to lend itself to the purpose. Other lines of business which could not calculate on the tonnage basis sought appropriate units for their use. Department stores experimented with the "cost per package-mile," building supply dealers with the "cost per yard-mile," and bottlers with the "cost per case or per case-mile." Each business in its own way sought to find a standard by which it could interpret its own unit delivery expense.

Difficulties soon arose. Practically every authority on truck operation or accountant prescribed a different standard unit or a different method of calculating the same unit. Discrepancies came about on all sides when attempts were made to adjust such items as pickups, return loads, differences between various methods of handling repairs, and differences in sizes of trucks and kinds of load.

The result is that this subject of truck costs is today very much of a hodge-podge. Many questions are asked and, of necessity, remain unanswered because it is not possible to find an answer to them. With a thing that is so important a part of business today as motor delivery has come to be, it should be possible for a business man to ask, "What should my trucks cost me?" "Is my truck cost exorbitant?" or "Will a 5-ton truck save money over a 2-ton truck?"

Every truck engineer or consultant is asked questions like these every day, but no one can answer them with any degree of accuracy.

No way has yet shown itself for striking anything like a compromiseable average that can be considered as a criterion.

It is for such uses as this that the committee of the S. A. E. and other truck interests are hoping to locate a suitable cost-unit or method of cost calculation.

One other effect of the present looseness in truck cost methods deserves mention if only so that it may serve as a warning to those who hope to be guided by such data as may now be available. It is a frequent occurrence for one firm to be misguided by what appears to be the delivery expense of another firm or by the result of an effort by an association to strike an average index of what such costs are in its particular industry. The writer has taken part in a number of efforts of associations to obtain an average of delivery truck expense among members and has known in

so doing that such an index, at best, could not mean anything. So many differences exist between methods used to compute costs—so many different conceptions are found as to the items which comprise the true costs—that, under present conditions, it is impossible to find any similarity between two concerns that can be used as a helpful comparison to either of them. A firm, moreover, may be easily deceived (and the experience may in many ways be a bad one) by charging as truck cost an item which has been found to represent such a cost in a similar set of conditions.

The New Attitude Toward Cost

AS a recent report of the S. A. E. committee expresses it, "the real trouble seems to be that no two of us talk the same language. It is dangerous to refer to such terms as 'accounts' and 'cost keeping,' because even these important terms have different meanings for different people."

The progress of this committee has not at this writing reached the point where definite recommendations can be made. To attempt here to discuss the theories and experiments which it has under consideration would be to cloud the horizon rather than to clear it. As yet it has been possible only more clearly to define the need and experiment with various proposals. As soon as the program takes definite shape to the point where specific recommendations can be made the writer will report upon them in *Distribution and Warehousing*. In the meantime the attitude of the S. A. E. can be best expressed by this statement which has been authorized for publication:

"The associations of truck owners, coal merchants, laundrymen, oil and fuel companies and the like have been notified of what we are doing, asked for the results of any accounting work they may have done or may have in view, and invited to cooperate with our Committee. In this way and by contact with a large number of installations we hope to learn the peculiar requirements of all leading users insofar as they may affect accounting procedure. The response to our requests for information has been most generous and cordial.

"A mere list of account titles does not meet the needs. What we need most is to know what is behind the accounts, how they are used, what they mean; in short, definitions, explanations, instructions, philosophy."

Aside from the efforts of the S. A. E., other agencies among the truck interests have been active in attempting to arrive at a basis for truck cost accounting. A typical instance of various methods which have been advanced is that which divides truck cost into two factors—first, the mileage cost; and second, the commodity distribution cost. The mileage cost represents the actual cost of operating a truck for the number of miles it has traveled in a given period, computed on a "per mile" basis. The terms of package units, pound units, case units and dollar units relate to commodity dis-

tribution. The two activities, under this method, are individual and separate elements, and bear no relationship whatever. While a complete description of this basis would require an article of itself, its intent can be grasped from this statement by A. M. Pearson of the Federal Motor Truck Co., who is one of its most enthusiastic advocates:

"The only thing a truck can produce is wheelage. For this it is responsible. How this wheelage is used is a matter over which the truck has no control. The question is simply how many miles the distribution department will use in its work. The cost of producing these miles is as far as truck cost accounting and control can go.

"Distribution is a matter of commodity classification and the movement of the goods from point to point. If this distribution involves errors, empty movements, poor loading and discharging, all this or in fact anything outside of the quality of the wheelage is all a matter of commodity distribution and has nothing to do with actual truck operation.

"Perhaps it will be clearer and more terse to say that the truck operating department should hire its 'wheelage' to the distributing department and each stand on its feet, responsible for its own results and profits."

More Wheelage—More Profit

THIS plan, it can be seen from Mr. Pearson's description, is concerned principally with getting a method which will do fair justice to all trucks in a comparison. In other words, a truck in one concern's service might be used wastefully. It would not be fair then to compare its performance (the cost of work accomplished) with the performance cost of a vehicle which is used efficiently. By establishing a budget, so to speak, which represents the cost of a certain amount of "wheelage" which is made available to the owner of the truck, no matter how that truck is used, it is possible to arrive at a fair basis of comparison.

The plan argues for a mileage basis throughout the cost system and points out that it is incorrect to combine a mileage basis for some items and a yearly or performance basis for others. It is essentially a means for measuring the expense of operating a truck. The "per-mile" is the basis in much the same way as the dollar is the basis in our money system. The cost of a day's work, in other words, is expressed in terms of numbers of miles.

It is shown that the variations which come in truck operation make it impossible to form budgets or compute costs accurately on a daily or hourly basis or to compute depreciation and similar items on a yearly basis as is so frequently done. Tires are usually depreciated by the mile. This is said to be logical and it is pointed out that the same principle of depreciation should apply to the entire truck because it wears out in about the same proportion as the tires wear out and the relation of use to the investment is the same.

A concern may have one truck that runs 30,000 miles in a year and another of the same make and capacity that runs 10,000 miles in the same period. Obviously the one with the greater mileage will wear out more quickly than the other, and so the only fair basis of depreciation can be that of mileage or "wheelage."

The more wheelage that is obtained from a truck in a given period, the more valuable the truck becomes and the less overhead is carried on truck operation.

Consequently, the more wheelage the more profit.

This system of account keeping then, by considering a truck as a *transportation service* charged against commodity distribution, provides an incentive to crowd more miles of work into an hour and thus offers a means for reducing performance cost.

One of the most interesting and valuable contributions to truck cost-keeping practice, by the way, is a system known as "Truck Expense Control," devised and now being offered to truck users by the Federal Motor Truck Co. As a system provided by a motor truck manufacturer, it is distinctive in that it has no direct motive to induce sales of the truck. Rather it is an earnest effort to provide a sensible basis for figuring costs and, incidentally, to enable a fair and equitable method of comparing one make of vehicle in service against another. The plan is based largely on the "wheelage" system outlined in the foregoing, and it is well worth a careful study by any operator who is "at sea" on the subject of truck cost comparisons.

Compulsory Insurance

THE Motor Vehicle Conference Committee has published several booklets presenting digests of certain phases of State motor vehicle laws, together with suggestions, recommendations and policies of the committee. The four general subjects covered are (1) special taxation of motor vehicles; (2) regulation of common carrier business; (3) restrictions on motor vehicle sizes, weights and speeds; and (4) liability insurance.

On the last subject the committee sees no reason for changing its attitude of last year in recommending that more experience must be obtained from States where various forms of compulsory liability insurance are in force and to acquire more data relative to the need for such legislation before compulsory insurance measures should be enacted in other States.

Massachusetts is the only State in which all owners of privately operated motor vehicles are required to carry liability insurance. This measure became effective only on Jan. 1, 1927, so that hardly enough time has elapsed to determine whether it has had the effects sought—namely, to provide monetary compensation for all injuries caused by motor vehicles and to prevent accidents.

In five other New England States modified forms of compulsory liability insurance have been enacted in which owners must take out insurance only when cer-

BUDGET MONTHLY FIXED CHARGES									
Insurance	\$	55.00							
Interest and License		15.00							
Gauge		25.00							
Total		95.00							

Daily Operating Report									
Total Costs this Month					\$575.30		Truck No. 15		
Total Mileage this Month					1450		Driver No. 65		
Operating Costs per mile					39.7 cents		Month May		
							Year 1927		

DATE	MILES	WAGES	GAS-ELECTRIC	LUBRICANTS	TIRES	MAINTENANCE	DEPRECIATION	FIXED CHARGES	TOTAL
Budget	70	\$6.00	\$2.00	\$4.25	\$2.50	\$3.50	\$6.30	\$2.52	\$28.97
1	60	5.00	2.50	.80	3.00	1.25	5.40	2.50	24.45
2	50	4.00	1.75		2.50		4.50	2.50	18.25
3	75	7.00	2.25		3.75		6.75	2.52	25.27
4	65	5.50	2.25		3.25		5.85	2.52	20.87
5	40	3.00	1.20		2.00	2.50	3.00	2.52	18.82
6	15	1.50	1.65	1.55	2.75			2.52	11.42
7	Sunday								
8	50	5.00	1.50		3.00		5.40	2.52	19.42
9	80	8.00	2.40		4.00		7.20	2.52	25.12
10	55	5.50	1.80	.20	2.75		4.95	2.52	19.22
11	65	5.50	2.20		3.25		5.85	2.52	22.82
12	Shop	6.00						2.52	8.52
13	Shop	6.00				12.85		2.52	22.37
14	Sunday								
15	40	4.00	3.00		3.00		3.60	2.52	18.12
16	60	6.00	1.80		3.00		5.40	2.52	20.72
17	65	5.50	1.80		3.25		5.85	2.52	20.82
18	45	4.50	1.20		4.25	2.50	4.65	2.52	24.62
19	50	5.00	1.40		2.50		4.50	2.52	17.92
20	25	2.50	2.00	.80	1.25	4.75	2.25	2.52	12.57
21	Sunday								
22	75				3.75		6.75	2.52	22.27
23	80		.25		4.00		7.20	2.52	24.97
24	70		2.10		3.50		6.20	2.52	21.42
25	65		2.00	.40	3.25	2.75	5.85	2.52	23.72
26	70		2.00		3.50		6.20	2.52	21.22
27	30	3.00	.70	1.70	1.50		1.70	2.52	11.12
28	Sunday								
29	50	5.00	1.40	1.20	2.50	4.25	1.50	2.52	22.37
30	60	6.00	1.40	.40	3.00		5.40	2.52	19.92
31	60	6.00	1.80		3.00		5.40	2.52	19.72
	1450	\$177.00	\$47.00	\$7.45	\$74.50	\$43.85	\$130.50	\$95.00	\$575.30

Illustrating the "Truck Expense Control" system of motor truck cost-keeping founded on the mileage or "wheelage" basis

tain contingencies have arisen. In only one of these States—Connecticut—has the law been active more than a few months, so it is still uncertain what effect they will have upon the accident rate.

The committee emphasizes the point that compulsory insurance laws now in force do not guarantee compensation to a person injured by a motor vehicle. Unless settlement can be made outside of Court, the injured person must still go through all the legal tangles of proving his claim. All the insurance Act promises is that if the injured person is given a judgment against a motor vehicle owner it will be paid, but it in no way makes it easier for him to prosecute his claim successfully.

Without attempting to minimize the importance of the motor vehicle accident problem, the committee believes that until more testimony is available as to the effectiveness of compulsory liability insurance as an accident deterrent and as to the present amount of uncompensated losses, the motor vehicle owners of the country should not be saddled with a great expense for a service of doubtful value.

In the matter of State regulation of motor vehicle common carrier business the committee reports that there are now 44 States which regulate passenger carriers to a rather complete degree; 33 regulate property carriers; while in two other States the public utilities commissions hold that they already have the power to regulate motor vehicle common carriers, but so far have not seen fit to exercise it.

State regulation is confined to intrastate activities following a Supreme Court decision that a State has no jurisdiction over operations which cross the

State line. The committee offers suggestions which it believes should be embodied in laws drafted to regulate common carriers. These suggestions are similar to those offered before and comprise six main subjects:

1. Control over intrastate transportation should be exclusively in the hands of a State agency.

2. Existing regulatory commissions or bodies should be utilized.

3. Before being permitted to operate, an owner should receive a certificate of public convenience and necessity and should take out liability insurance.

4. The regulatory bodies should be vested with the same powers they exercise in controlling other forms of public utilities.

5. Taxes on motor vehicle common carriers should consist of those imposed on all motor vehicles in that State and proper equitable franchise rights, provided that if the latter are imposed, an amount equivalent to those paid under the first item should be deducted.

6. Steam railroads, trolleys, shipping companies and other public utilities should be permitted to acquire, own and operate motor vehicles in conjunction with their regular lines of business.

The total amount of taxes paid on motor vehicles during 1927, partly estimated, was \$725,555,812. This includes Federal taxes of more than \$60,000,000; State taxes of \$525,000,000, and municipal taxes of \$15,000,000. Personal property taxes of \$125,000,000 make up the remainder of the sum paid into various official coffers by motor vehicle owners.

Adjustment of general and special motor vehicle taxation, the committee believes, should be on the basis of use of motor fuels for such highway improvements as do not constitute an unfair

burden on the individual motorist. Within this limit funds received should be used for improvement of highways of general motor use and should be devoted first to maintenance cost. Surplus funds should be employed in paying part of all other costs of highways of general motor use or to defray all or part of the cost of bonds issued to expedite construction of desirable motor highways.

The State should be the sole taxing agency. Taxes should be simple in form and equitable in distribution. No highway should be improved in excess of its earning capacity. All money raised by motor vehicle taxation should be placed in the care of and expended by the State highway department. Cost of building and maintaining highways should be distributed equitably among the following in relation to the benefits derived: society in general; definite groups of society; property served; road users.

The foregoing suggestions are some of those presented in the committee's list of sound and equitable principles to control taxation for motor vehicles. Following them is a summary, by States, of the various taxes and fees now imposed upon motor vehicles.

In the fourth booklet, on State restrictions on motor vehicle sizes, weights and speeds, the committee presents a summary of present restrictions imposed by the various States and suggests specific recommendations for such restrictions which are generally identical with those made public last year.

The Massachusetts compulsory automobile law has now started on its second year but Bay State officials feel they are not yet possessed of sufficient data to say definitely how it is going to work out.

The figures regarding deaths and accidents are interesting. During the fiscal year ended Dec. 1, 1927, the total deaths were 693; 31,721 persons were injured. For the same period in 1926 the deaths were 705 and the injured were 25,351. This shows 12 fewer fatalities and 6370 more injuries.

The number of collisions reported in 1927 was 32,846 and for 1926 was 27,436. Insurance men claim that these figures prove their contention that there are more accidents under the law than was the case before it went into effect.

In the interest of accident prevention the big step taken during the year was inaugurated through the joint efforts of the insurance commissioner, Motor Vehicle Commissioner Goodwin and the insurance companies. This was the establishment, on Sept. 1, of a central bureau to which the companies and the motor vehicle registrar report all information that would tend to show the undesirable qualities of car owners as insurance risks. Since the bureau's inception it has resulted in clearing the roads of a great many undesirable drivers who because of their poor records have been unable to get insurance.

The question of the adequacy of the rates charged by the insurance companies has been much debated during the

year. Many of the insurance men claim that the rates are inadequate.

A general advance of 16 per cent in automobile liability rates was recently ordered for the entire country, with the exception of Massachusetts, where the insurance commissioner has full rate-making power. The commissioner fixes rates solely on the experience of the companies in Massachusetts and on statistics compiled for him by the rating bureau. Compilations of 1927 figures will be made in the spring and the fixed rates for 1929 will be determined from these compilations and announced next August.

In view of the fact that the rates are based on Massachusetts experiences it will be seen that the motorists themselves practically make their own rates. The more care they exercise in the handling of their cars on the road—the fewer the accidents and fatalities—the lower will be the rate. The people of Massachusetts have paid out for insurance premiums in 1927, it is estimated, upward of \$16,000,000.

Creation of a Legislative committee to study compulsory automobile insurance is provided in a resolution introduced in the New York State Legislature recently. Governor Smith had in a previous special message to the Legislature recommended the creation of such a committee.

The National Truck Show

THE motor truck exhibits at the national automobile show in New York in January indicated that during the past year designers continued to place emphasis on better performance, more attractive appearance and increased driver comfort. Fourteen makers exhibited seventy vehicles—the majority of low or moderate capacity due in part to the fact that the big heavy-duty jobs could not be got into the exhibition hall.

The demand for greater flexibility and speed is reflected by the continued growth in the popularity of the 6-cylinder engine in the truck field. All but two of the exhibitors—Chevrolet and Pack-Age-Car—showed models with this type of powerplant, while the entire exhibits of Corbitt, G. M. C., Larrabee, Reo, Rugby, Selden, Stewart and Studebaker were made up of 6-cylinder models.

Pneumatic tires were shown almost exclusively on the show models, the exceptions being the few heavy-duty models, though some of these were fitted with pneumatics, duals usually being fitted on the rear wheels. With higher speeds made possible by the use of more powerful engines and pneumatic tires, the use of 4-wheel brakes is becoming increasingly common, eight of the exhibitors showing models with this type of braking system.

If prices at the show may be taken as an indication, operators will find that the 1928 trucks offer very attractive values, in the light duty field particularly.

The tendency of manufacturers to meet

the special requirements of individual operators is quite noticeable not only because of the varied body styles exhibited but also because of the larger number of chassis models which a number of makers are providing as compared with a year ago.

Brief descriptions of some of the trucks exhibited follow:

American-LaFrance: The "Chief" is a newcomer, rates at 1½ to 2 tons, embodying a 60 hp. engine, 4-speed transmission, 4-wheel brakes, pneumatic tires and steel cab.

Chevrolet: An engine of increased power is incorporated in the new commercial chassis and Utility truck formerly designated as the 1-ton model. The commercial chassis has 4-wheel brakes and the wheelbase has been increased to 107 inches. The wheelbase of the Utility truck has not been changed and the bodies are interchangeable on the 1927 and 1928 models except for the cabs. The price of the commercial chassis has been reduced from \$395 to \$375, notwithstanding that 4-wheel brakes are now regular equipment.

Corbitt: Model 46 is a 6-cylinder 2-ton truck. Equipment shown included a closed cab and open express body, pneumatic tires front and rear.

Federal: Nine trucks were shown, ranging in capacity from 1-ton to a 5-7½-ton chassis. A 1-ton 4-cylinder model with screen side body and a 6-cylinder panel body were in the light-duty classification. Other models shown are a 2-ton 4-cylinder job with stake body; a 6-cylinder 2-ton unit with screen body and dump body chassis; a 3-ton 6-cylinder chassis; and 2½-3, 3½-4 and 5-7½-ton chassis powered with 4-cylinder engines. Two-wheel brakes are on all these models.

G. M. C.: A new 1-ton truck is equipped with 4-speed transmission and 4-wheel brakes and with a complete line of factory-built interchangeable bodies. Improvements in the de luxe delivery line of 1000 pounds' capacity also were shown. Both chassis are powered with the new series 6-cylinder engine. The new 1-ton now lists at \$745.

Graham Brothers: Five sizes, each mounting an individual type of body, made up this exhibit. The new panel body mounted on a 4-wheel, 108-inch wheelbase chassis lists at \$770.

Larrabee-Deyo: Two models were shown—A-3, rated at ¾ to 1-ton, and X-33, a 2-ton unit.

LeBlond-Schacht: A new 6-cylinder model rated at 2 tons was shown, together with the Roadmaker model rated at 3½ tons.

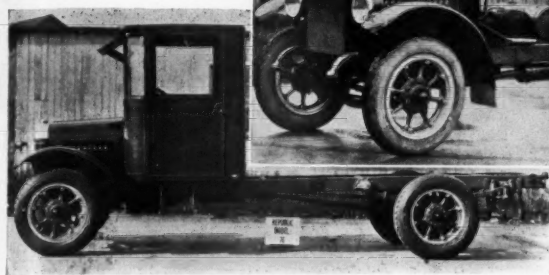
Pack-Age-Car: A new model shown is designed for retail delivery of milk.

Reo: The "Speed-Wagon Tonner" was described in the February issue of *Distribution and Warehousing*.

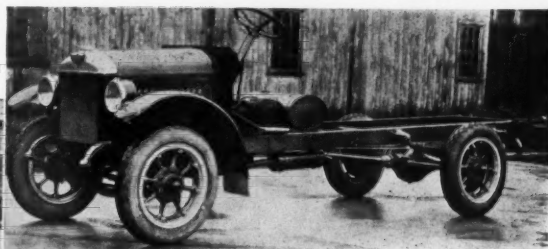
Rugby: A truck chassis with a 6-cylinder engine and 4-wheel brakes was shown, together with a panel delivery body mounted on the Durant "65" chassis.

Selden: Exhibited for the first time is the "sedan de luxe" delivery unit with a fabric body of distinctive appearance and

Below—Republic
Model 76



Above—Republic
Model 75



with rated capacity of $\frac{3}{4}$ to 1-ton and speeds up to 50 or 60 m.p.h. Wheelbase is 130 inches and pneumatic tires are 30 x 5 inches mounted front and rear. A new Pacemaker model has a rated carrying capacity of 2 tons and a speed of 50 m.p.h. and has steel wheels equipped with 32 x 6 inch tires front and rear. A roadmaster model is rated at 3 tons and has a speed up to 50 m.p.h.

Stewart: A price of \$1,345 is announced for the new 4-cylinder engine $\frac{1}{4}$ -ton chassis and \$1,370 for the 6-cylinder. The unit is available with wheelbases of 130 or 145 inches and 32 x 6 inch tires all around. A new model exhibited is the $\frac{1}{2}$ -ton available with either 4-cylinder or 6-cylinder engines at the price of \$1,645. Standard wheelbase is 145 inches and a special short wheelbase of 135

inches and a long wheelbase of 160 inches are offered.

Studebaker: A $\frac{3}{4}$ -ton high speed delivery car was presented. Listing at \$1,195 at factory, with screen or panel body, it has a 6-cylinder engine and 4-wheel brakes.

Other New Models

THE Selden Truck Corp. announces two new trucks—Models 2X and 4X, respectively of $2\frac{1}{2}$ -ton and 4-ton capacities, each powered with 6-cylinder engines. Model 2X has a 120-inch wheelbase and 4X has a 130-inch wheelbase. Tires on the 2X are 34 x 5 inch pneumatics, dual rear, and steel-spoke wheels are standard. Tires on the 4X are 34 x 7 inch.

Seven new models comprise the 1928

line offered by the Republic Truck Co., designated as follows: Model 75-6, $1\frac{1}{4}$ -ton, 6-cylinder, 128 $\frac{1}{2}$ -inch wheelbase. Model 76-6, $1\frac{1}{2}$ -ton, 6-cylinder, 150 $\frac{1}{2}$ -inch wheelbase. Model 85, 2-ton, 4-cylinder, 154 $\frac{1}{4}$ -inch wheelbase. Model 86, 2-ton, 4-cylinder, 170-inch wheelbase. Model S-25W, $3\frac{1}{2}$ -ton, 4-cylinder, 164 $\frac{1}{4}$ -inch wheelbase. Model 65, 3-ton, 6-cylinder, 179 $\frac{1}{4}$ -inch wheelbase. Model 66, 3-ton, 6-cylinder, 200 $\frac{1}{4}$ -inch wheelbase.

Graham Brothers, the truck division of Dodge Brothers, have put out a new $\frac{1}{2}$ -ton delivery car fitted with a hand-somely finished low panel body with cadet front and visor.

The Atterbury Car Co. celebrates its twenty-fifth anniversary year by adding to its line a $2\frac{1}{2}$ -ton, 45 miles-an-hour, pneumatic tired, electrically-equipped 6-cylinder truck built low to the ground and supplied in 168, 186 and 154-inch wheelbases. Dual rear pneumatic tires are standard equipment at no extra charge. Tire size is 32x6 all around so that one spare tire will fit any wheel. Meanwhile Atterbury announces a price reduction of \$300 on its 3-ton Big 6 chassis.



New Atterbury 2-2 $\frac{1}{2}$ ton

Bench and Bar Support Arbitration of Commercial Disputes

IN the first annual report, made public on Feb. 6, of the American Arbitration Associations, with which some of the warehouse industry's trade organizations are cooperating, Lucius R. Eastman, the president, reviews the progress made by arbitration in the various branches of business and shows the methods of regulation used by business to eliminate strife and waste from American commerce. The report shows that this great activity by business to reduce litigation and clogging of the Courts with commercial disputes has the active support of bench and bar. Mr. Eastman says:

"I should be wanting in fairness did I not point out the inestimable value of the support which the New York judiciary gives to arbitration by the manner in which it is upholding the arbitration law and by the liberality of its interpretation of that law. I venture to say that nowhere has the historical antagonism of judges, prevalent under the English common law, so completely disappeared; and nowhere is there a more cordial relationship and more understanding cooperation than exists in New York between the judiciary and those who elect to submit their disputes to

arbitration.

"Equally important is the fact that the past year has witnessed a much more cordial attitude on the part of members of the bar. Attorneys are coming to realize that arbitration is a mode of trial which affords immediate relief to their clients; and scarcely a week passes without one or more law firms requesting a set of our rules, forms and instructions for the use of arbitrators. These requests indicate a very considerable practice of arbitration in controversies submitted by the parties to their attorneys. This change we believe is somewhat due to our policy of keeping leading members of the bar advised concerning the progress and practice of arbitration."

The report summarizes the activities of the association in its various fields and outlines its general policies in eight distinct divisions. They are:

(1) "The association limits its field of activity to commercial disputes; it has therefore refused to be drawn into political or labor controversies.

(2) "The activities of the association are confined to the western continent, except in the matter of certain international publications which it assists in

financing.

(3) "The development of arbitration under uniform State statutes, rather than the settlement of commercial disputes in other ways, claims the attention of the association.

(4) "The construction of a foundation of accurate knowledge is being carried on through the cooperation of universities and faculties trained in research work.

(5) "The establishment of arbitration facilities through trade and commercial organizations is the purpose of opening new fields of industry to arbitration.

(6) "The cooperation of the judiciary and the bar was early seen to be essential to the extension of commercial arbitration, and the association has endeavored to bring business and law into accord.

(7) "The scientific organization of arbitration facilities about each commodity, through clauses in contracts, is one of the definite aims of the association.

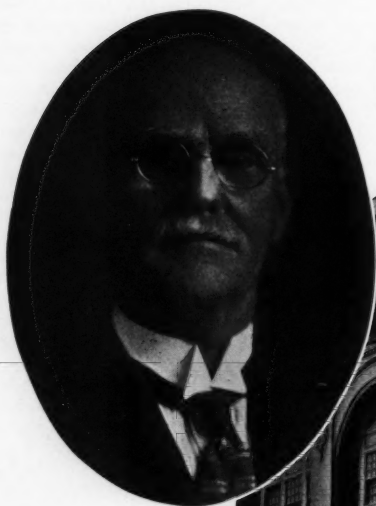
(8) "The avoidance of all duplication of effort and of an excessive overhead, and the equitable distribution among the various industries of the cost of the administration of a central organization, have been kept constantly in mind."

No. 40
**Edward A. Macomber
and Henry S. Mott**

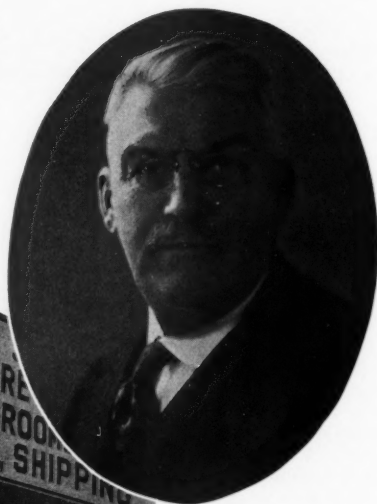
By RUBY A. BLACK

Success

Let's Take the Old Family



In ovals: left, Edward A. Macomber, and right, Henry S. Mott, respectively president and vice-president of the United States Storage Co., Washington, D. C.



Below, the company's office lobby



At left, the household goods depository of the United States Storage Co., with the largest electric sign in the national capital

Right, part of the company's fleet of vans



TWENTY-eight years ago two merchants, one of them 54 years old and one of them 43, met each other in a Washington checker club. They liked to play checkers together so well that they decided to form a business partnership so they could get out the checkerboard at any time of the day or night they felt like it.

Their names are Edward A. Macomber and Henry S. Mott. They took \$300 and bought a little used-furniture business together. They put their stock in a basement on Tenth Street, in the northwest section of Washington which was largely residential then but is now in the midst of the business section of the Capital. They paid the sum

of ten dollars a month for the use of the basement.

But from that day to this Edward A. Macomber and Henry S. Mott, now president and vice-president respectively of the United States Storage Co., have never played another game of checkers together!

They have not had time. Like other rapidly growing young things, the United States Storage Co. kept its parents busy. The second-hand furniture business grew out of the basement in which it was born until it took up the other three floors of the old house. But the used furniture kept coming and going, and so Mr. Macomber

(Concluded on page 62)

Stories

No. 41

Album Out of Storage!

Guido J. Hansen

By ELIZABETH FORMAN

*In oval, Guido J. Hansen, president of the Hansen Storage Co., Milwaukee, Wis.
Below, the merchandise storage plants of the Hansen company*



GUIDO J. HANSEN, president of the Hansen Storage Co., at 120 Jefferson Street, Milwaukee, began his business career where so many American youths begin—at the bottom of the ladder. This was in a manufacturing concern. The time required to work up was not so long, as time goes. The difficulty was that the firm did not stand the strain.

Young Hansen got out from under and looked around him for another venture. This, too, required starting all over again on the bottom rung. This also became interesting from a business standpoint as time went on. But again the business showed signs of weakness when surveyed from the top, so Mr. Hansen once more looked about him for a new field of endeavor—one that would be both lucrative and substantial.

That was twenty-five years ago. By then Mr. Hansen had accumulated some money and a little property. He had, in fact, been urged to go into the public storage business because of Milwaukee's lack of warehousing facilities. So he took an extended trip around the country,

making an intensive study of the industry. It could be depended upon, he found, to pay a dividend of from six to eight per cent on the capital invested. So he returned to Milwaukee and put up a building on some lots that he already owned. His original investment was \$100,000.

Good service and fair treatment soon increased the number of clients and in due time it became necessary to add to the warehousing facilities. Fifteen years ago, when the automobile industry was just coming into its own, the Hansen company was asked to handle motor cars. Space being limited at that time, the firm took temporary quarters in various outlying sections of the city, and there it unloaded, stored and assembled great trainloads of cars for which it issued negotiable receipts to the manufacturers.

About this time the company began buying up the property adjoining the original plant and erecting buildings to meet expanding needs in the immediate vicinity.

During the war such warehouses as the company then

(Concluded on page 64)

H. A. Haring's

New Business for Warehouses

XXVIII

Why Local Factories Are Potential Customers

ONE day last autumn a merchandise warehouseman was telling me of his fine business, not boastfully, but with a modesty of detail which won confidence that what he said was truthful. To my ears his story had an unusual charm for the reason that his city is one where I would have guessed no warehouse could earn a livelihood for its owner. Yet his modern structure of nearly 300,000 square feet capacity is carrying its fixed charges, making ample provision for depreciation, paying the management good salaries and distributing 8 per cent on its stock, with a surplus for protection. Its earnings are in no sense speculative, yet they are exceedingly satisfactory.

"Concentration of our efforts," replied he to my query, "explains our profits." Then he proceeded to state: "We work everything from the local end. There's hardly a dollar of travel in our expense accounts. We concentrate on the local distributor and the local retail customer, and then we wait until someone from the factory shows up in town. When we get hold of him we try to jam home the local situation and we bring our ware-

house into the picture so vividly that whenever he thinks of our town, after returning to the factory, he thinks of us."

All this was interesting. It was, however, not greatly new, until, as a sort of afterthought, he said another thing.

"Of course"—and he said this as though it was as common as a concrete foundation—"half of our house is solid full all the time with local factory stuff."

"Solid full!" "Local factory stuff!" "All the time!"—strange words, those, from a merchandise warehouseman.

And, as shortly I came to appreciate, right here lies the secret of the fine showing of that warehouse. Right here, too, lies an absorbing tale of his earlier remark that "We work everything from the local end."

Beneath the shadow of his warehouse that storage executive has been able to develop a steady volume of business, without sending his men or going himself to the ends of the earth for new accounts.

A YEAR or two ago rumor in that city reported that a local factory was about to expand. The product is a hot water heater, principally for domestic use. The factory had begun in a shed behind a plumbing shop; had slowly grown into two brick buildings with about 22,000 square feet of floors; and now, with confidence in the future, was planning another two-story structure 50 by 100 feet.

The warehouseman, according to his tale, made it a point to see the factory owner within a few days. He learned that the proposed building was, as usually is the case, a bit of faith for the future; that the factory was already crowded but that, in building, they were trying to provide for some years to come; that, for the present, one floor of the proposed addition would be surplus space. He also discovered what he had anticipated—namely, that fully 5000 square feet of their present 22,000 were required for storage of material and finished product.

"It took less than an hour," continued he, "to demonstrate how they could release 5000 square feet of their present space." The factory owner, on the spot, made an inspection of what the warehouse had to offer, did some calculating for himself, and made answer:

"We're on. We'd have had to borrow the money to build. The bank wasn't

any too eager to see us sink it into brick walls. Now I'll go back and tell them how we'll save it in two years and pay as we build, when we do build."

During 1927 that factory paid the warehouse slightly less than \$7,000 for storage, handling, etc. "The factory owner tells me it would have cost them that much to heat and light the new building they planned," says the warehouseman, "and they're ahead the interest and depreciation and maintenance and all that sort of thing, and they've been able to concentrate their manufacturing in two buildings instead of three—which means saving a lot in overhead and unknown costs."

In addition to this particular account, that same warehouse has, in similar ways, obtained local factory accounts for: kerosene stoves, mannikins, radio cabinets, office furniture (chiefly small desks and chairs), mantels and grates, brass fire-place ornaments (including brass candlesticks, screens, wall brackets, etc.), lock nuts, bolts and washers, brass valves, and possibly others that have slipped my memory. Not all of these run to \$7,000 each, of course, but each is profitable business for the warehouse.

And, before concluding his illuminating talk, that warehouseman dropped a suggestion that teems with value:

"The big accounts naturally go to the big cities. We're in a small city. I've

quit fighting for business where I have to cut out all the profit, but I concentrate on the local end. We work for accounts where we can show the storer a clean saving, and, as I've been telling you, half the house is solid full with stuff from the local factories."

Elsewhere the Same Is Possible

A MAKER of road equipment (crushers, road rollers, shovels) in New York State gives the manufacturer's angle to the same situation. This maker sells, firstly, to cities and counties which undertake their own road building or upkeep; and, secondly, to contractors.

"In a year, we make about 180 sales," states he, "but they always come with a rush for delivery. Our bigger competitors can promise quick delivery, because they can afford to make up big stocks in advance. We are little fellows, and never could finance ourselves well enough to have the machines ready. A half of our possible sales went aglimmering on that account."

The final solution was the very obvious one. Chance helped to a decision. The railroad, alongside which the factory stands, had undertaken a double-tracking plan which required one of the three buildings of the factory, this being, naturally, the storing and shipping departments. For weeks the question hung in the balance: "Sell the whole plant

and move to a new location, or sell the one building and operate from two locations with five city blocks intervening?"

The answer was neither. The railroad paid \$28,000 for the single building and a slice of land parallel to its right-of-way. "That money," says the owner, "was the thing we needed. It was capital to make up machines for stock, but we had to find a place to store them. If we built a warehouse, even a shed-like thing, the cash would all go into it and we would slip back in the old situation."

They made connection with a local warehouse; today they store manufactured machines with it; and, by using the warehouse receipts for collateral, have greatly improved their bank standing. Their experience, furthermore, is that the machines suffer less from dust and grime than when stored, as formerly, at the plant; and, as they themselves put it, "We are saved the temptation to rob new machines of parts for rush orders: with a warehouse receipt out against them and a loan on the receipt, we are not allowed to touch the machines."

Insurance Against Breakdowns

UP along the Hudson River a warehouse holds in store a two weeks' output of a local paper mill, a big stock of overalls and canvas work gloves for another local concern, and a full month's run of curtain rod fixtures (for five-and-ten-cent stores) for a third local fac-

tory. These three stocks repose in a single warehouse, filling one floor and a portion of another, and with scarcely a turnover in a year's time.

In this case, the frozen inventory (for the manufacturer) is almost contrary to the modern ideas of inventory (which demand rapid turnover and minimum stocks). The purpose is, however, just the contrary, it being the idea of the factories to look upon these untouched warehouse stocks as insurance against factory breakdowns. The stocks are held close to the factory, rather than at marketing centers, in readiness for shipment to any point of the compass whenever interruption to factory output occurs.

In talking with the warehouseman, it is learned that the paper mill, twice in seventeen months, withdrew practically its entire warehouse stock, both times occurring when unusually large orders were received for prompt shipment. Each time the warehouse stock served to hold the order, and it was, shortly thereafter, replaced from current production.

Similarly, the stock of overalls has once been entirely shipped out to a single customer, under circumstances of about the same sort.

In Kansas City a manufacturer of boilers and radiators holds in warehouse (privately owned, however) close to three months' normal output. The reason is the same: insurance against foundry shut-downs, and, as related by the

manager, fire has twice in six years destroyed one or another of their several plants but never has a customer known the difference. Orders were shipped with routine regularity, from warehouse rather than from foundry floor.

Necessary to "Sell the Idea"

WAREHOUSEMEN who desire this type of business will probably find it necessary to "sell the idea" to their local manufacturers. The manufacturer concentrates his thinking on making and selling, with troubles enough of his own without knowing much about warehousing in its modern applications. A warehouse, to many manufacturers, is thought of as a place to store dead merchandise. Seldom do they conceive of a warehouse, standing next block to the factory, as a means to release their own capital investment in storages that are empty half the year and half-empty for an additional two or three months. Seldom do they think of the warehouse as a step to factory financing, factory insurance and factory concentration.

Here is the proof. If manufacturers did know of these advantages, the warehouses would be bulging with "local factory stuff" held for these very purposes.

Inasmuch as the product of local factories does overlook the warehouse opportunity, to "sell the idea" becomes one step in the warehouseman's solicitation for new business.

First Government Figures on Warehousing Are Expected Within the Month

THE Department of Commerce, through the Bureau of the Census, has inaugurated its monthly canvas, on a national scale, of merchandise warehouses, with a view to developing information on current trade movements in the United States which should, in the Department's opinion, be of vast importance not only to the public warehouse industry but to business in general.

It was anticipated by A. Lane Cricher, assistant chief of the Department's Transportation Division, that the first statistics on goods in storage and tonnage handled, etc., should be ready by about Feb. 27. These figures, when made public, will be published in *Distribution and Warehousing*, the first of the series to appear probably in the April issue.

It has been the experience of the Bureau of the Census, according to Mr. Cricher, that the first month of gathering data for any particular industry is generally three times as slow as any succeeding month, and this accounts for the fact that it is not possible to present the initial warehousing statistics at this time.

The information is being gathered by the Government at the request of the American Warehousemen's Association and in cooperation with that and various State and local trade organization. Data are being sought from both asso-

ciation and non-association companies and from railroads. More than 500 warehouses had up to early in February agreed to report their figures each month, beginning with figures for the end of January. Blanks for obtaining the information were distributed in January, calling for figures on occupied space and movement of goods.

As rapidly as the figures are received and tabulated each month the Department of Commerce will issue statements summarizing the information, but nothing is to be revealed concerning individual warehouses.

"Through these summaries," said a Department of Commerce statement given to the press on Feb. 2, "the warehouse industry and business men generally will be enabled to see what proportion of occupiable space is actually rented, with comparisons from month to month, and will know the value of goods passing into and out of merchandise warehouses. The data will also be given by States and by larger cities if complete cooperation is secured in these localities, so that local as well as national constitutions can be ascertained."

Mr. Cricher estimates that at any moment in the United States about \$3,000,000,000 worth of goods is on the way from points of production to points of consumption on the railroads alone. He

believes this is a most conservative estimate. At present there is no means of knowing, he points out, what proportion of this tremendous movement is stored for future use. He adds:

"We do not now know how much space there is among the warehouses of the United States for storage of this general merchandise in its passage from producer to consumer, such as canned goods and the many cartons of various products going from production into consumption. Of millions of square feet of storage space, we do not know how much is leased to individual manufacturing concerns for storage of their own products for distribution in nearby territory.

"The warehouse industry is one of the foremost in the country, with a heavy capital investment obviously necessary to carry on the business of storing many millions of dollars' worth of business handled every week."

The information is expected to be of value to the warehouse industry itself in planning business to take care of future growth, as Mr. Cricher believes the data will reveal how present space is being used and what expansions will be required.

The statistics being assembled do not cover household goods or strictly cold storage warehouses.

Distribution and Warehousing's Pictorial



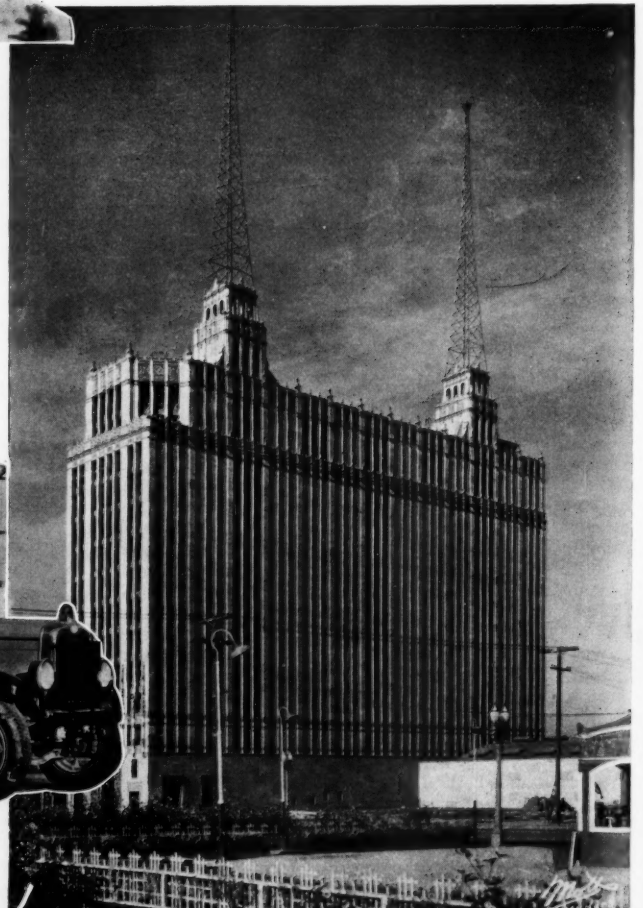
Above, R. A. Weicker, first president of the recently organized Oklahoma Transfer & Warehousemen's Association. Mr. Weicker is secretary of the O.K. Transfer & Storage Co., Oklahoma City.

Below, a warehouse that wins beauty awards. Morgan, Walls & Clements, Los Angeles architects, submitted a picture of this household goods depository of the Hollywood Storage Co., Hollywood, Cal., to the Pan-American Congress of Architects, which recently met in Buenos Aires, Argentina, and it won the silver medal and diploma although in open competition with buildings of all classes. In 1927 this same structure won a certificate of honor from the Southern California Chapter of the American Institute of Architects.

Below, Van job built for L. L. Chapman, Jefferson City, Mo., warehouseman, on a Model 615 Indiana Truck Corp. vehicle.



Below, some of the ladies who attended the French Lick, Ind., convention of the American Warehousemen's Association in January. Arrow points to Mrs. J. Edgar Lee, Chicago, wife of the association's general president.

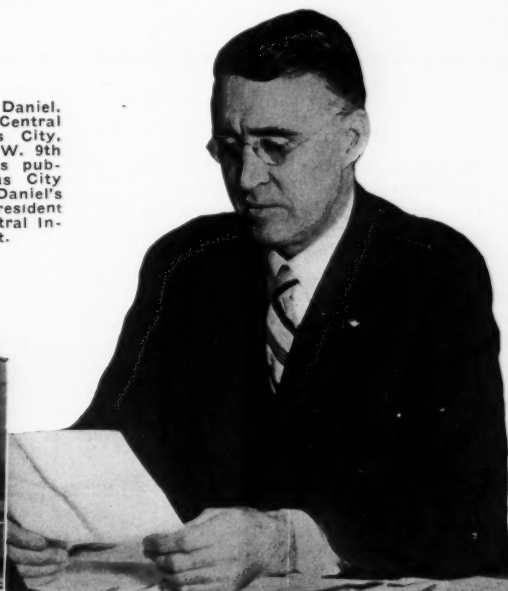


Review of the New and Interesting

Below, another warehouse in Des Moines, Iowa. The merchandise storage plant of the recently organized Way-Helms Co., at 300-316 So. West 5th St.



Right, Charles C. Daniel, president of the Central Storage Co., Kansas City, in his office at 1427 W. 9th St. This picture was published in the Kansas City "Star" following Mr. Daniel's recent reelection as president of Kansas City's Central Industrial District.



THIRD ANNUAL DINNER NEW YORK WAREHOUSEMEN'S ASSOCIATION

Warehouse Funiculum
Oyster Cocktail
"I Prefer Clam Broth but in Times Like This"—Jones
Cream of Chicken, a la Reine
Open Wide the Warehouse Door and Let the Chicken Walk
Clives Celery Radishes
Boiled Salmon Hollandaise
Hollandaise or Californise our Friendships are World-Wide
Sherry
Larded Beef Tenderloin with Fresh Mushrooms
From the Inside: There May be an Increase in Rates in the Spring with a Chance of Profit Sharing
Roast Turkey, Cranberry Sauce
The Eagle We Revere, the Secretary Bird is a Bird, but Oh! You Turkey Potatoes, Raisins
Green Peas
Lettuce and Tomatoes Salad
"Just the Color of My New Van"—Saul
Assorted Cake
Vanilla Ice Cream
Possibly Reid's but Perfectly Harmless
Demi Tasse Cafe
Cigars
Wines May be Ordered by Members as Desired
January 16, 1911
HOTEL GRANITAN
Roosevelt, N. Y.

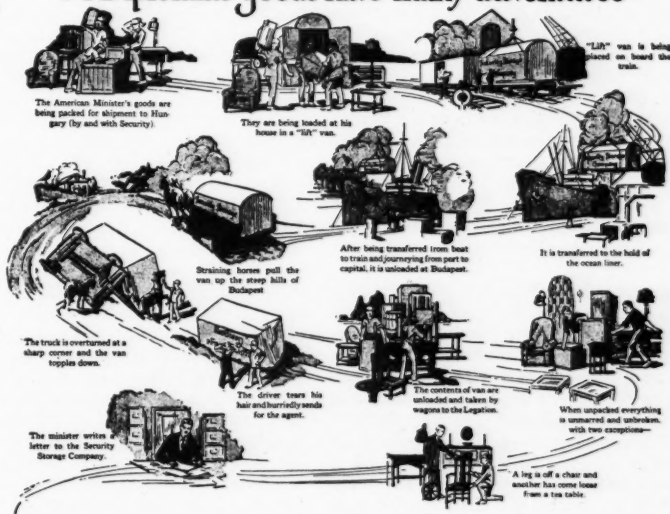
Above: They were hungry in those days, too. Unique menu—discovered by L. G. Myers, Boston storage executive, in his files—at a warehouse association dinner seventeen years ago.



Left—Who's this youngster? Answer: J. Edgar Lee at the age of 18. Mr. Lee was recently reelected general president of the American Warehousemen's Association. He owns merchandise storage plants in Chicago and Tampa, Fla.

Below—A boost for foreign-going household goods. Publicity text and pictures which the Security Storage Co., Washington, D. C., uses to tell graphically its service story to the National Capital's diplomatic world.

A Diplomat's goods have many adventures



FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Lien Priority

LEGAL EDITOR, *Distribution and Warehousing*: We have a proposition applying to a warehouse problem on which we would like to have some advice. We are giving you herewith a résumé of the problem:

On Aug. 1, 1925, we received a certain lot of household furnishings on storage for Harold J. Katski. At a later date a local retail furniture dealer notified us that they had a lien on the goods. At that time we informed them that the charges on this account had accumulated to \$130.50.

A registered letter was sent to the said Katski under date of Dec. 5, 1927, at his last known address, advising him that unless payment of our claim was received on or before Dec. 19, the goods stored for his account would be advertised in a local paper under dates of Dec. 20 and 27, 1927, and Jan. 2 and 4, 1928, and would be sold at public auction on Jan. 4 at 10 A. M. Amberg and Jordan were also notified by a copy of this letter.

What we would like to know is whether or not a warehouseman in a case of this kind has a prior lien, and whether our action was the proper one. It has always been our understanding that the warehouseman had first lien on goods stored, unless he was apprised before accepting such goods on storage that there was a recorded prior lien against such goods.—*Fidelity Storage Co.*

Answer: A warehouseman has a prior lien on stored goods, unless another prior lien is properly recorded. Under the latter circumstances the warehouseman may still retain a prior lien if the holder of the recorded lien consented to storage of the goods, either in writing or impliedly. However, the warehouseman is bound to search the records to know whether a prior lien exists.

Since, probably, the lien of the local dealer is equivalent to a chattel mortgage, I shall explain the law on this subject, giving leading higher Court citations which should prove valuable to your attorneys.

In *Devereaux v. Fleming*, 53 F. R. 401, it was held that, where goods are stored without an agreement relative to remuneration, the warehouseman is entitled to a reasonable fee for his service. (Also see *Gove v. Barcay*, 106 Pa. 155.)

In *Romain Blakeslee Trading Blakeslee's Storage Warehouse v. Furgrimson* it was disclosed that the holder of a chattel mortgage knew the goods were stored in a warehouse. In fact, he filed a bill to foreclose and obtained an order

from the Court to take possession of the goods. The Court held that these acts plainly indicated a purpose to take control, management and possession of the goods, and he was liable for the storage charges.

However, in *Driggs v. Dean*, 167 N. Y. 121, it was held that the mere fact a person has a mortgage on goods stored does not make him liable for the storage charges, but from the time his acts or conduct indicate an intention to take charge of the goods he is liable for the storage that later accrues. Also, in *Industrial v. Saul*, 58 N. Y. S. 837, it was

What Don't You Know?

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business!

held that a warehouseman has right to demand storage charges before giving up goods to a mortgagee. Also, where the mortgagee left goods in care of the mortgagor, the former was held liable for repairs ordered by the mortgagor; *Ruppert v. Zang*, 73 N. J. L. 216.

In *Dummond v. Griffin*, 95 Atl. 506, 114 Me. 120, it was held that a mortgagee is liable for storage charges if he consents to the keeper remaining in possession of the property. See also the following important cases:

Baumann v. Post, 12 N. Y. S. 213; and *Eister v. Union Transfer & Storage Co.*, 12 N. Y. S. 732. For other information see *Baumann v. Jefferson*, 23 N. Y. S. 685, and *Tucker v. Werner*, 21 N. Y. S. 264; also, *Moore v. Hermitage*, 133 S. E. 881; *Holloway v. Merchants Transfer*, 294 S. W. 989, where a mortgagee who did not know the goods were in storage was held not liable for storage charges.

Therefore it is my opinion that your local furniture dealer is liable for payment of the storage charges, although his lien actually is equivalent to a chattel mortgage, if he did any act which would imply that he consented to your keeping the goods in your possession.

On the other hand, if his lien is not equivalent to a chattel mortgage properly recorded, or if the same was recorded after you obtained possession of the goods, your lien is superior.

Who'll Pay These Charges?

LEGAL EDITOR, *Distribution and Warehousing*: There is, in the town of Greenwich, Conn., a moving concern, by the name of Doran Brothers, who have no facility for storage and we handle all accounts for them, billing them direct with the storage bills, and issue our storage receipts to them in their own name, irrespective of who the customer might be.

On Oct. 13, 1925, they delivered to our warehouse certain household effects for which a storage charge of \$21 per month was made. The day following, our storage warehouse receipt was mailed to Doran Brothers, who returned it to us stating that the goods were placed in storage by the county sheriff, and that the storage receipt should be sent to him, and that our charges should be collected from him.

However, the sheriff returned the storage receipt to us, stating it should be sent direct to Mrs. John H. Frey, as his orders had been to put her goods out of the house which she had occupied at that time, but that because of a rain storm he believed it best to put the goods in storage.

Mrs. Frey has since refused to pay our charges for storage, stating that she did not order the goods into our warehouse.

At the present time there is approximately \$600 due us for storage, and consequently we wish to dispose of the goods in a way which is absolutely fair and legal. What is your opinion?—*Henry G. Drinkwater's Sons, Inc.*

Answer: It is my opinion that Mr. Frey is liable for the storage charges, especially if she knew where the goods were stored. The following cases hold to this effect: 167 N. Y. 121; 106 Pac. 155; 53 F. R. 402.

Also, it is important for you to know that in a very recent case (294 S. W. 989) the city was held liable for the expense incurred by a warehouseman in moving goods under similar circumstances to those explained by you.

It is not necessary that the owner of goods, to be liable for the storage charges, authorize a warehouseman to store them. If he knowingly permits them to remain there, the law implies a contract that he will pay the warehouseman a reasonable charge for the services

particularly where the warehouseman obtains possession legally, or in any manner that is deemed beneficial to the owner. For instance, if a warehouseman finds a piece of furniture in the street, he may place it in storage and the owner is bound to pay for the services rendered.

Carrier Certificates

LEGAL EDITOR, *Distribution and Warehousing*: Inform me whether or not it requires a charter or other license to operate a motor freight line to and from Cleveland, Ohio, and Pittsburgh, Pennsylvania?

Answer: The Interstate Commerce Commission has jurisdiction over common carriers which conduct interstate business. Therefore it is required that you obtain a certificate for the purpose mentioned. The Public Utilities Commissions of the two States also would require knowledge of the character of your business, and probably would require you to obtain certificates from them, under the circumstances that you intend to make local deliveries along the line.

In granting certificates of this nature the Interstate and State Commissions consider whether or not the route over which you intend to operate is being served adequately at present. If it is decided that the service you intend to render is needed and will prove beneficial to the persons who live on the route, no doubt you will be granted a certificate without undue controversy. On the other hand if the route over which you contemplate operating is adequately served at present by other common carriers the Commissioners may legally refuse to issue a certificate to you.

See the following recent cases holding to this effect: 209 N. W. 146; 150 N. E. 81; 245 Pac. 720; 214 N. Y. S. 725; 150 N. E. 308; 152 N. E. 20; 252 Pac. 406.

Servant and Master

LEGAL EDITOR, *Distribution and Warehousing*: We note with a great deal of interest your remarks, on the legal page of the September, 1927, *Distribution and Warehousing*, in regard to public liability and property damage on cases where equipment is rented to a customer and placed under his direction.

We would like to have your further advice as to when relation of servant and master can be construed as effective on the rental of equipment for moving of household goods or merchandise, or in cases of contract holding, where the equipment is rented on a per hour basis on per unit basis, and placed under the direction of the hirer.

We would also like to secure a copy of the transcript of the *Morris v. Murphy Transfer & Storage Co.*, 211 N. W. 950.—*City Transfer & Storage Co.*

Answer: The hirer is responsible where he rents equipment, either on the hourly or other basis, provided the renter hires and pays the men inde-

pendently of the owner and the latter retains absolutely no control over the men or equipment during the period.

Of course, the owner is liable for neglect to supply safe equipment.

Send twenty-five cents (25c.) to West Publishing Co., St. Paul, Minn., for the case mentioned.

Possession of Receipts

FREQUENTLY warehousemen are confronted with the perplexing question of who is the legal owner of goods during the intervening period that a sale, of stored merchandise, is completed and the time the warehouseman is duly notified of the changed ownership.

In the recent case of *Atlantic Coast Line R. Co. v. Columbia Salvage Corporation*, 140 S. E. 101, the Court had occasion thoroughly to discuss an unusually complicated but commonly occurring train of events on this subject.

The facts are that the Columbia Salvage Corp., with its office in New York, had plants in the different parts of the country for salvaging war ammunition, and had a plant at Charleston. On April 13, 1922, an explosion occurred at this plant, resulting in destroying a large number of cars belonging to the Atlantic Coast Line Railroad Co., and the latter brought suit against the Columbia, claiming \$35,000 as damages for the injuries done to its property. On May 11 the railroad company caused an attachment to be levied on the property of the Columbia at Charleston. A part of this attached property consisted of a large number of brass cartridge cases, of which Benjamin Harris & Co., of Chicago, claimed to be the owner.

The Harris firm contended that under the circumstances it was the true owner of the merchandise on April 12, when the contract of sale was completed and that the railroad company had no legal right to attach the goods in the warehouse.

Title to the property claimed rests on the following alleged facts: On April 12 the Harris concern purchased of the Columbia the property by an agreement reached over the long distance telephone, conducted by Benjamin Harris & Co., and Charles A. Levine, president of the Columbia, confirmed by a telegram and by a signed contract, all dated April 12. Shipment was to be made after June 1.

It was agreed between the parties that, in settlement, a letter of credit, irrevocable, should be arranged by the Harris company with the New York Trust Co., to be issued by that company, in favor of the Columbia, in the sum of \$171,236.16, against which drafts might be drawn to that amount, not later than May 15. The drafts were to be accompanied with negotiable warehouse receipts of the Charleston Port Terminal Warehouse, which had the property in storage, and a letter from the Columbia guaranteeing payment of storage charges until June 1, and the payment of the expenses of loading.

This arrangement was made on May 8 by Mr. Harris, representing his com-

pany, with the New York Trust Co., and on the same date drafts were drawn by the Columbia corporation in favor of itself, and on May 9 the New York Trust Co. accepted these drafts—six in number, aggregating the sum authorized to be drawn for. On each draft there was a signed acceptance, dated May 9, 1922, and a further indorsement on each draft, signed by New York Trust Co., as follows:

"This bill was secured at time of acceptance by independent warehouse, terminal or other similar security conveying security title to brass scrap stored in South Carolina, and the acceptor will remain secured throughout the life of the bill."

Each draft bore the indorsement of Columbia corporation, by Charles A. Levine, president. The warehouse receipts provided that the property should be retained in storage, and delivered only on surrender of the receipts, properly indorsed, with all charges paid. There were four of these warehouse receipts. They were delivered to the New York Trust Co. by the Columbia, duly indorsed, at the time that the drafts were accepted. On May 12 the Columbia procured the money on these drafts from the Manufacturers Trust Co., New York.

During the trial, counsel for the railroad company contended that, as the warehouseman had not received notice, until May 12, of the transaction between the Benjamin Harris & Company and the Columbia Salvage Corporation, and as the attachment was levied on May 11, legally the title had not passed to the Harris company until May 12.

The Law Explained

However, the Court held that the Harris firm took title to the goods on April 12, before the latter obtained possession of the warehouse receipts, and explained the law, as follows:

"That the property was sold on April 12 and payment for it arranged on May 8, consummated on May 9, and the money actually obtained on May 12, is beyond question or controversy. The intervener in this case did not depend entirely on the possession of the warehouse receipts as evidence of ownership, but had a contract, first made by telephone, confirmed by telegram, and further evidenced by a contract in writing, duly signed, all on April 12, 1922. . . . It cannot be contended that the Salvage corporation could have the property represented by the warehouse receipts and own the accepted drafts, too. It was not beneficially possessed of the drafts in their own right after it had parted with title to them to the New York Trust Company, and on May 11 it had no property in the shell case which were the subject of attachment. Property and chattels may be transferred from one to another in writing, without delivery, the delivery of the writing being symbolical delivery of the property. It cannot be denied that a negotiable warehouse receipt, drawn to order, attached to a draft drawn to the order of the holder, is the same as a bill of lading so drawn."

Federal Census of Distribution in 1930 Asked by Secretary Hoover

(Concluded from page 16)

the lines with which our fathers were familiar.

"To some extent the failure in distribution to make the same progresses in production is due to our lack of statistical information and definite facts in this field. Also it is to be observed that we have made far less progress in reducing the costs of distribution than we have in production. As an indication of this, if we take the factory and retail prices of commodities at 100 for 1914, we find that today falling prices are from 140 to 150, while retail prices are from 165 to 170.

"We do not even know the volume of our retail trade, nor can we guess at it within \$10,000,000,000. To the best of our information, there are upward of 1,482,000 retailers and some 82,000 wholesalers engaged in our domestic business. These men collectively, and many of them individually, have approached the Department of Commerce, asking for some fundamental statistics regarding their operations.

"In order that we might have some experience in the kind of information which could be developed in a national census of distribution, and also in order that business might see whether such data would be of use, we carried out a few experiments last year. Experimental censuses of distribution were taken in some 11 cities of different sizes and in different parts of the country. These experiments were made possible through the material cooperation of various private agencies, including the Chamber of Commerce of the United States and the chambers of commerce in the various cities where the censuses were taken. They related to obtaining information from wholesalers and retailers regarding the character of their business, the number of proprietors and employees, the wages paid, the volume of business, the stocks on hand, and the commodities which they handle.

"In Baltimore, 33 per cent of all the retailers in that city did a gross business of less than \$5,000 per year. That means that total sales in these stores average less than \$100 a week. Fifty-five per cent of the retail stores did less than \$10,000 worth of business a year, or less than \$200 gross sales per week.

"It is the feeling in the Department that a national census of distribution would form the foundation for a marked advance in the efficiency of our marketing system, and I trust the Committee will give careful consideration to the advisability of including it in the next decennial census."

The 'Frisco Census

ONE of the cities to which Mr. Hoover alludes in the foregoing is San Francisco, the inquiry in this instance covering Alameda County, which embraces Oakland, Alameda and Berkeley. The Department of Commerce announces that

an analysis of the statistics for the 17,187 establishments reported during the 'Frisco-Alameda census shows that the largest annual sales for 1926 were made by 3126 wholesale and retail grocery and delicatessen agencies, the sales of these amounting to \$435,913,000. The Department's statement continues:

"Of these 3126 establishments, 390 were engaged principally in wholesale business, and their annual sales amounted to \$360,312,500, while the annual sales of the 2826 retail establishments amounted to \$75,600,600. Including the salaried employees, proprietors, and firm members, there were 11,580 persons at work in these stores, and their annual salaries amounted to \$13,279,500.

"Necessarily, the retail establishments purchase from the wholesale concerns, and a combination of the sales of the two classes results in some duplication. However, the wholesale stores do not limit their sales to the retail establishments located within this district.

"It must also be remembered that certain groupings of establishments include commodities which are sold in grocery and delicatessen establishments. Among these are confectionery, ice cream, and soft drinks, which are not only sold by 929 establishments for which separate statistics are shown, but also are sold by drug stores and possibly stores engaged primarily in the purchase and sale of other commodities.

"In order to group the establishments, the Bureau of the Census has found it necessary to assign the statistics to certain classes, according to the principal commodity handled. It is possible to show separate data for 48 classes of establishments engaged in retail business, all other establishments of this kind being grouped under 'Miscellaneous.'

"In the wholesale branch of industry, 48 classes are shown separately, 134 establishments being included in the 'Miscellaneous' group. A miscellaneous group is necessary to avoid disclosing the data reported for individual establishments.

"Next to grocery and delicatessen establishments, the largest sales are shown for 231 establishments engaged in the sale of automobiles. Forty-four of these are classed as wholesale, and 187 as retail. The total sale of these 231 establishments in 1926 amounted to \$139,488,600, and they gave employment during the year to 4375 persons, the amount paid in salaries and wages being \$8,379,500."

The Providence Figures

ANOTHER of the cities is Providence, the study covering also Pawtucket, Central Falls, North Providence, East Providence and Cranston. Here the analysis, as recently reported by the Department of Commerce, shows that 5400 establishments were found, and that the largest annual sales for 1926

were made by 1396 wholesale and retail grocery and delicatessen agencies, these sales amounting to \$40,859,100. Of these 1396, 37 were engaged principally in wholesale business and their annual sales amounted to \$11,866,800, while the annual sales of 1359 retail establishments totaled \$28,992,300. Including the salaried employees, proprietors and firm members, there were 3443 persons at work in these stores, and their annual salaries amounted to \$2,479,500.

Next to grocery and delicatessen establishments, the largest sales are shown for 412 establishments engaged in the sale of meat, poultry and fish. Twenty-four of these are classed as wholesale and 388 as retail. The total sales of these 412 establishments in 1926 amounted to \$27,762,800, and they gave employment during the year to 1331 persons, the amount paid in salaries and wages being \$1,246,700.

Railway Motor Division

The newly authorized motor transport division of the American Railway Association perfected its organization at its first meeting, held in Chicago late in January, with the election of officers and a general committee to serve until October, 1929. The meeting was attended by ninety delegates representing more than seventy of the principal railroads of this country and Canada.

The object of the division is to establish a clearing house for transport through and development of motor transport by railroads and for studying the problems raised by highway competition, in order to determine the facts and fundamental principles involved.

The organization has three sections—one dealing with motor trucks, one with motor coaches and one with rail motor cars.

A. P. Russell, vice-president of the New York, New Haven & Hartford, was elected chairman. The next meeting will be held in Atlantic City, June 21-22.

Skyscraper on Old Lincoln Site

A 55-story store and office building is to rise on the site now occupied by the structure which the Lincoln Warehouse Corp. (formerly the Lincoln Safe Deposit Co.) is to abandon, on West Forty-second Street between Madison and Park Avenues, in favor of its new depository at 1187-1201 Third Avenue, farther up-town. The former site is opposite the Grand Central Station.

This is the second warehouse property in the neighborhood to give way to a skyscraper. The area formerly occupied by the Manhattan Storage & Warehouse Co. at Lexington Avenue and Forty-second Street is the site of a 52-story commercial structure now being erected.

Warehouse Executives' Varying Activities in and Out of the Industry

CLARENCE A. ASPINWALL, president of the Security Storage Co., Washington, D. C., sailed from San Francisco, accompanied by Mrs. Aspinwall, on Feb. 17, on a trip to Honolulu. He plans to return to his office in March. Mr. Aspinwall is general treasurer of the American Warehousemen's Association.

Floyd L. Bateman, Chicago, president of the Trans-Continental Freight Co., has been appointed a member of the organization committee of the World's Fair which Chicago is planning to hold in 1933 in celebration of the city's 100th anniversary. Mr. Bateman is a director of the Chicago Rotary Club and a past president of the Chicago Traffic Club.

Sidney J. Beer, Los Angeles, secretary of National Warehousing, Inc., is the author of a full-page article, "Warehousing Industry Looms as New Link in Distribution for Marketing Areas," in a recent issue of the Los Angeles *Commercial and Financial Digest*.

Wrisley Brown, president of the Terminal Refrigerating & Warehousing Corp., Washington, D. C., has been elected a director of the Harriman National Bank, New York. Mr. Brown is a former Deputy Attorney General of the United States.

Irving T. Bush, president of the Bush Terminal Co., New York, is the author of a new book, "Working with the World," published by Doubleday, Doran & Co. In it he charges that railroads have suffered from public indifference to their problems, while steamship agents have carried on a "successful propaganda" and obtained the benefits of good terminals. He cites New York City as a "striking example."

William M. Butler, president of the New Bedford (Mass.) Storage Warehouse Co. and a United States Senator from Massachusetts, has announced that he will not be a candidate for renomination in the Bay State's Senatorial contest next fall. He plans to give more detailed attention to his warehouse business and to the New England cotton mill interests with which he is identified.

William A. Cassell, formerly secretary of the Pennsylvania Furniture Warehousemen's Association, is now affiliated in business with the Pasadena Transfer & Storage Co., Pasadena, Cal. Until recently he was identified with the Premier Fireproof Storage Co., Hollywood, Cal. Mr. Cassell was formerly secretary and operating manager of the Twentieth Century Storage Warehouse Co., Philadelphia, since consolidated with the present Fidelity-20th Century Storage Warehouse Co., Inc., of that city.

James D. Dunn, president of the Riverside Storage & Cartage Co., Inc., Detroit, has returned to his office after having been confined to his home because of illness. Mr. Dunn is president of the Michigan Furniture Warehousemen's Association and a director of the National Furniture Warehousemen's Association.

Thomas E. Gannett has purchased the interest of the S. Jackson Estate in the Standard Warehouse Co., New Orleans, and is now operating the business as sole owner.

M. A. Keyser, president of the M. A. Keyser Fireproof Storage Co., Salt Lake City, is being discussed as the Republican candidate for Governor of Utah. The nominations will be made in the summer. Mr. Keyser has served in the State Legislature and is a past presi-

dent of the Salt Lake City Chamber of Commerce-Commercial Club.

William T. Murphy, treasurer of the Lynn Storage Warehouse Co., Lynn, Mass., has with two associates taken over the franchise of the Waterbury, Conn., baseball club and has transferred the franchise to Worcester, Mass., where it will represent the Eastern League. Mr. Murphy is a former big league player and has for some time been treasurer of the Lynn club in the New England League.

C. Cotesworth Pinckney has been appointed sales and advertising manager of Continental Terminals, Inc., New York, operating the Distribution Terminal & Cold Storage Co., Cleveland; Central Railway Terminal & Cold Storage Co., Albany, N. Y., and Grand Trunk Terminal & Cold Storage Co., Detroit. Mr. Pinckney, who will make his headquarters in New York, was formerly sales and advertising manager of the Boyce & Veeder Co.

Walter C. Reid, vice-president of the Lincoln Warehouse Corporation, New York, has returned to his office after a long illness during which he convalesced at Battle Creek, Mich.

H. C. Rindy, owner of the Madison Fireproof Warehouse, Madison, Wis., is the author of "Storage Science," an article which, published recently in Madison newspapers, explains the care exercised by furniture storage executives.

Oscar W. Thomas, secretary of the A. B. C. Fireproof Warehouse Co., Kansas City, Mo., has been elected president of the Kansas City Council, Boy Scouts of America. Mr. Thomas is chairman of the local Boys' Work Committee and is second vice-president of the Kansas City Rotary Club.

Ye Ed's Loyalty to
Our Readers Is 2nd
to None. If—

TWO BITS

—You Will Read
This Month's "Two
Bits" You Will Learn
Why.

Vol. VIII. No. 9

A Bit Here, A Bit There

Gotham, March, 1928

NO. 9 of Vol. VIII of *Two Bits* is published this mo. (March) only over the nervy protest of *Distribution and Warehousing's* editor. To Ye Ed. of *Two Bits* the editor of *DandW* said in a rough voice, "Hey, you'll have to cut out *Two Bits* this time on account I have to have 63 pages for editorial matter on a/c Andy Murray, our business manager, took so many pictures at the A. W. A. and N. F. W. A. conventions that there won't be room for *Two Bits* so you'll have to cut it out this time."

Well, we visualized the effect, on our loyal readers, when the March issue reached them without containing the customary scintillating *Two Bits*. We visualized subscriptions being canceled, right & left, fore & aft. We visualized an angry horde of storagers storming Ye Ed.'s office. In fact, we visualized destruction, conflagration, violence, hurricane, disaster, murder, arson, larceny and other pussilanimosities. "Two Bits goes in, like as usual, or otherwise you can have our resignation!" was Ye Ed.'s ultimatum.

That scared the *DandW* editor, as Ye Ed. immediately observed, but still he had the temerity to argue the pt. Whereupon we snatched up a pair (2) of shears off our desk & started after him. The coward got caught in 1 section of a revolving door, with Ye Ed. in the section immediately behind him, & we did 6 mi. in 10 min.

Like as not we would still be circling had not Andy Murray, the business manager whose convention photos started the argument, happened along & stopped the door. Well, the *DandW* editor hid behind Andy while Ye Ed. explained to Andy about how subscriptions would be canceled if *Two Bits* was omitted from our March issue, & as Andy is Scotch, that is how it comes that *Two Bits* appears herewith, like as usual, it being No. 9 of Vol. VIII, & if No. 10 of Vol. VIII does not appear next mo. (Apr.), you will know that the cowardly *DandW* editor & Ye Ed. of *Two Bits* are both in a hospital & with Ye Ed. having the prettiest nurse in the place.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

Department of Commerce Sets Forth Purposes and Services of Trade Associations in Revised Publication

THE purposes and services of trade associations in the United States are outlined in a volume entitled "Trade Association Activities" (Domestic Commerce Series No. 20) recently issued by the Department of Commerce to supersede its 1923 book on the same subject. The new volume represents a more comprehensive and up-to-date work. Prepared by Irving S. Paull, J. W. Millard and James S. Taylor, the revised edition involved the cooperative effort of hundreds of trade association secretaries as well as experts in various branches of the Government.

Its scope is indicated by the contents table, which lists—in addition to about 100 pages in Government relations with trade organizations—chapters on the following subjects:

How trade associations are organized; statistics; legal aspects of statistical activities; cost accounting; industrial and commercial research; simplified practice; industrial standardization; public relations; trade relations; credit and insurance departments; employer-employee relations; traffic and transportation service bureaus; construction industries; railways and public utilities; automobiles, airways and highways; mining and oil industries; metals and machinery; miscellaneous manufacturing industries; textiles and clothing; farm products; wholesale and retail trade; banking and insurance; technical, auxiliary and special groups.

"The purpose of this and of the previous publication," the Secretary of Commerce, Herbert Hoover, states in a foreword to the volume, "is to indicate the successful service of trade associations in public interest. In the field of scientific and economic research, in statistics, in simplification and standardization of commodities, in the promotion of arbitration in commercial disputes, in development of foreign trade and in scores of other directions trade associations have made a most valued contribution to our economic progress.

"While our industry and commerce must be based upon incentive to the individual, yet the national interest requires a certain degree of cooperation between individuals in order that we may

reduce and eliminate industrial waste, lay the foundation for constant decrease in production and distribution costs, and thereby obtain the fundamental increase in wages and standards of living.

"Trade associations, like many other good things, may be abused, but the investigation of the Department of Commerce shows that such abuses have become rare exceptions. Within the last few years, trade associations have rapidly developed into legitimate and constructive fields of the utmost public interest and have marked a fundamental steps in the gradual evolution of our whole economic life."

The new book indicates that trade as-

sociations are spending \$35,000,000 a year for cooperative industries research. Operating through trade associations in collaboration with the Department of Commerce, it is estimated that American industry is saving by means of simplification alone \$500,000,000 a year. Although commercial standardization is still in its infancy, it is estimated that trade associations are spending annually more than \$3,000,000 on this type of research.

The volume, "Trade Association Activities," may be obtained upon order by number (Domestic Commerce Series No. 20) from the Government Printing Office, Washington, for 75 cents.

San Francisco

THE Warehousemen's Association of the Port of San Francisco at its recent annual meeting elected as president Henry F. Hiller, manager of the San Francisco Warehouse Co. Al T. Gibson, president of the Lawrence Warehouse Co., was reelected vice-president. Leon A. Bailey was selected as secretary for the sixteenth successive year. In accepting the presidency, Mr. Hiller said, in part:

"The responsibilities of the public warehousemen are considerable. I shall attempt to conduct our research and educational affairs in a way that will be of the greatest public benefit, having in mind the fact that our integrity means the security of the trade that patronizes our facilities.

"Shippers and warehousemen have a common interest. It is the purpose of public storage to serve freight needing temporary rest in its process of distribution in such careful way as to relieve the owner entirely of the common-law responsibility that, in consequence of his engaging our service, is rested upon us.

"Our warehouse receipts must stand prominently as admirable collateral on the goods we are safeguarding, and our care for and preservation of the goods entrusted to us must be vigilant and constant."

—H. H. Dunn.

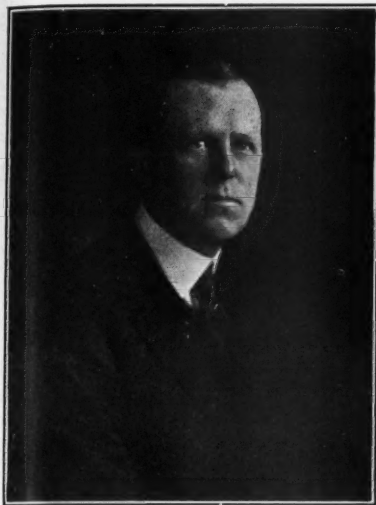
Cleveland V. O. A.

EFFECTIVE Feb. 1, a two-year labor agreement went into effect between the Cleveland Van Owners' Association's labor committee and the Van Drivers, Furniture and Piano Movers Union 392. The agreement was signed on behalf of the employers by the association's President, W. R. Thomas, vice-president of the Lincoln Storage, and the association's secretary, Thomas J. Heil, Jr., president of the Windermere Storage Co.; and, on behalf of the union, Henry G. Berger, international organizer, and J. T. O'Brien, president of the local, and P. A. Beedlow, secretary and treasurer of the local.

The union officers first asked for \$7 a week increase for chauffeurs, packers and helpers. Wages then were \$38 for drivers and packers and \$34 for helpers. The new contract calls for \$2 a week increase for each class of men. This was granted with the understanding that the men would in the future confine themselves to hauling and handling household and office goods and would not compete for freight or jobs of the truck drivers' union.

The agreement provides for a board of arbitrators to settle all disputes between the union and the employer. It stipulates also that there are to be no strikes or lockouts during the time the agreement is in force.

Samuel G. Spear



Reelected president of Massachusetts Warehousemen's Association

New York Port

THE Warehousemen's Association of the Port of New York elected officers for 1928 at its meeting on Jan. 17 as follows:

President, Walter F. Firth, trustees of estate of William Beard (Erie Basin Stores).

Vice-president, H. E. S. Wilson, president Campbell Stores (Hoboken, N. J.).

Secretary, A. B. Harrington, president Republic Storage Co., Inc.

Treasurer, A. C. Pouch, vice-president Pouch Terminal, Inc.

Chairman merchandise division, W. C. Crosby, president Fidelity Warehouse Co.; chairman cold storage division, C. F. Mell; director, L. Naumann.

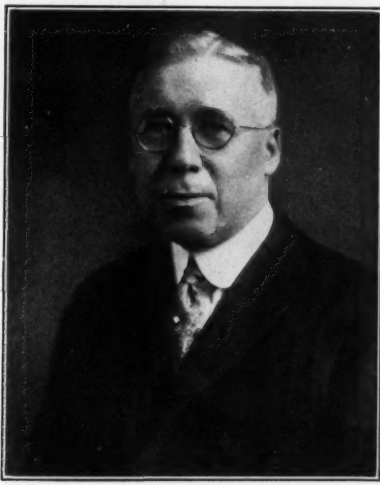
During the roll call it developed that business was dull, that deliveries were sometimes exceeding receipts, that collections were generally fair, and that labor was plentiful and of good quality.

Mr. Firth, reelected as president, reviewed 1927, declaring that an outstanding feature was the establishing of mutual relations among bankers, merchants and warehousemen regarding strengthening of the warehouse receipt, more strict supervision over condition of goods, satisfaction of charges, etc., with the result that all these were now "more satisfactorily understood, practised and maintained."

The conditions under which the Army base property at Newark, N. J., was leased by the Government were "still a menace and threaten disastrously certain lines of our business," Mr. Firth said and "this, and all similar unfair and illegal competition . . . must be carefully but persistently opposed."

Mr. Firth said that the average percentage of occupied space during 1927, according to the members' reports, was 0.7311, the highest individual average having been 0.864 and the lowest 0.566.

James D. Dunn



Recently again chosen to head Michigan Furniture Warehousemen's Association

The arbitration committee reported that the arbitration machinery recently set up had operated smoothly in a recent controversy between a member company and a distributor and that the decision had been unanimously in favor of the warehouse firm.

The insurance committee reported that the New York Board of Fire Underwriters was considering a new classification for warehouses for manipulation and other services.

President Firth appointed H. E. S. Wilson, C. D. Hoagland and Charles C. Tough a committee to report to the ports and port terminals committee of the American Warehousemen's Association "all violations of the Interstate Commerce Commission Act by the various railroads."

Massachusetts

THE Massachusetts Warehousemen's Association held its annual meeting at the Exchange Club in Boston on Jan. 17 and elected officers for 1928, as follows:

President, Samuel G. Spear, treasurer Wiggin Terminals, Inc., Boston.

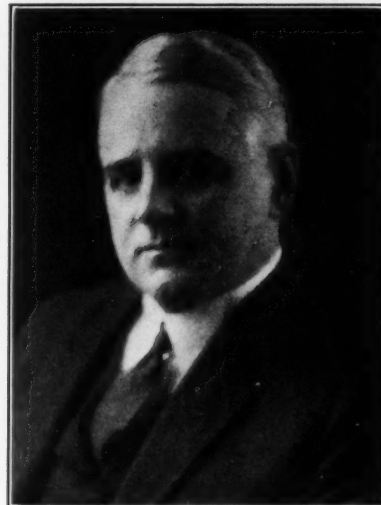
Vice-president, William B. Mason, vice-president Merchants Cold Storage & Warehouse Co., Providence, R. I.

Treasurer, H. S. Wiggan, vice-president Wiggin Terminals, Inc., Boston.

Executive committee, the foregoing and Howard E. Jackson, general manager Atlantic States Warehouse & Cold Storage Corp., Springfield; Warren B. Hibbert, secretary Metropolitan Storage Warehouse Co., Cambridge; John R. Nichols, treasurer Merchants Warehouse Co., Boston; Gardner Poole, president Quincy Market Cold Storage & Warehouse Co., Boston.

Olin M. Jacobs, Boston, continues as secretary.

Fred. L. Harner



Again chief executive of Pennsylvania Furniture Warehousemen's Association

Mr. Jacobs reported receiving an invitation from the New England Council for a conference between the Council's staff and representatives of the association to consider plans for cooperation.

—S. F. Holland.

Brooklyn

AT the Feb. 6 meeting of the Furniture Warehousemen's Association of Brooklyn and Long Island it was voted to have the members supply the executive committee with facts and figures necessary to establish the exact costs of doing business, with a view to developing storage and moving rates which would be commensurate with those costs.

Discussion of New Jersey's tax on motor trucks entering that State brought out that 104 companies in New York State had been warned to keep their trucks out of New Jersey until back taxes had been paid.

H. W. Wastie read a paper on "Satisfaction of Warehouse Lien" and this problem was discussed with relation to the sale of goods for warehouse charges.

—A. K. Murray.

Toronto

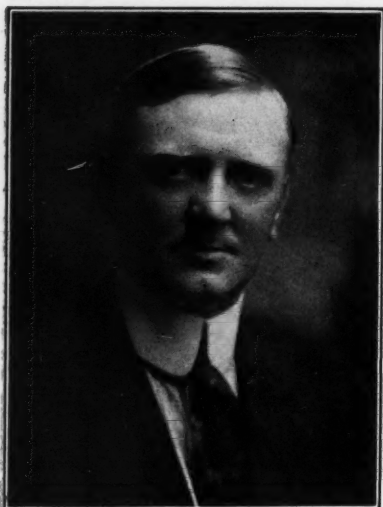
AT the twelfth annual meeting of the Toronto Cartage and Warehousemen's Association, held on Jan. 27, all of last year's officers were reelected, as follows:

President, J. H. Warren, vice-president M. Rawlinson, Ltd.

Vice-president, J. Sercombe.

Secretary - treasurer, W. Pickard, treasurer, W. J. Pickard, Ltd.

Mr. Warren in his annual address declared that Canada was out of the woods and enjoying more prosperous times.

George Sebold

Relected president New Jersey Furniture Warehousemen's Association

Leon S. Rose

Again chosen to head the Memphis Warehousemen's Association

Ellis W. Leritz

New chief executive of the Kansas City Warehousemen's Association

Pennsylvania F. W. A.

AT the eleventh annual meeting of the Pennsylvania Furniture Warehousemen's Association, held at the Lorraine Hotel in Philadelphia on Feb. 14, the following officers and directors were unanimously elected:

President, F. L. Harner, president Fidelity-20th Century Storage Warehouse Co., Inc., Philadelphia.

Vice-president, Harvey J. Lutz, partner Hildenbrand Bros., Philadelphia.

Secretary, J. Wallace Fager, Miller North Broad Storage Co., Philadelphia.

Treasurer, Joseph P. Carson, Philadelphia manager Trans-Continental Freight Co.

Directors each for two years, Samuel S. Johnston, president Advance Storage Co., Philadelphia; Walter E. Sweeting, president Atlas Storage Warehouse Co., Philadelphia; Robert E. Wallace, president Wallace Storage Co., Inc., Germantown.

—K. H. Lansing.

(Editor's note: A more detailed report of the Pennsylvania meeting will appear in the April issue of *Distribution and Warehousing*.)

Kansas City

THE Kansas City Warehousemen's Association held its annual meeting on Jan. 23 in Kansas City, Mo., and elected officers as follows:

President, Ellis W. Leritz, general manager L. Leritz & Son.

Vice-president household goods division, D. J. Perky. Mr. Perky subsequently died, as told on page 66. He was president of Perky Bros. Transfer & Storage Co.

Vice-president merchandise division, Frank M. Cole, treasurer Radial Warehouse Co.

Vice-president cold storage division, E. M. Dodds, manager United States Cold Storage Co.

Secretary-treasurer, J. V. Crooks, Crooks Terminal Warehouses.

Directors, F. C. Adams, vice-president Adams Transfer & Storage Co.; L. J. Canfield, Inter-State Transfer & Storage Co. (Kansas City, Kansas); John A. Groves, president Groves Storage Warehouse Co., Inc.; W. A. Sammis, secretary Central Storage Co.

—Merryl Schwind.

Pacific Coast

DISCUSSION of the possibility of establishing a return loads bureau featured the January meeting of the Pacific Coast Furniture Warehousemen's Association central division, held in Stockton, Cal. It was emphasized that the California warehousemen must be on guard to prevent the passing of all long distance hauling to the hands of exclusively freight haulers.

Industrial Trends

C. C. Lockett, Sacramento, regional vice-president, who presided at the dinner and business session, introduced as the evening's speaker Dr. Burcham, vice-president of the College of the Pacific, who talked on recent trends in general industrial development and progress. Dr. Burcham alluded to the rapid increase in mass production and said industry's main problem was to find and develop consumers for surplus products. He added:

"These consumers are being increased

by giving higher wages and shorter hours to workmen, thereby enabling them to have more time in which to enjoy life and more money with which to purchase the commodities they themselves produce. Cooperative effort and standardization also are large factors in accomplishing this result."

Jerome Starkey, Sacramento, presented a paper on return loads and the opportunity of creating a bureau among the Coast furniture warehousemen. He set down arguments both for and against the plan. His talk was ordered sent to the southern division for comment and discussion.

The majority opinion of the men present was that a bureau was more and more becoming necessary and that the first step should be organized cooperation in providing return loads for fellow members from town to town.

On motion by A. W. Nickell, San Jose, Mr. Lockett was authorized to appoint a committee to study the possibilities and form an organization and maintenance plan.

—H. H. Dunn.

Memphis

AT the recent annual meeting of the Memphis Warehousemen's Association the members declared unanimously that the organization was proving of benefit to them, and it was voted to continue its activities. The officers were reelected, as follows:

President, Leon S. Rose, secretary Rose Warehouse Co.

Vice-president, E. B. Anderson, Memphis Bonded Warehouse Co.

Secretary and treasurer, Skelton Driver, secretary Tennessee Terminal Warehouses, Inc.



Scene at dinner following annual meeting of New Jersey Furniture Warehousemen's Association, in Newark on January 12

New York F.W.A.

THE thirtieth annual meeting and dinner of the New York Furniture Warehousemen's Association was held on Jan. 9 at the Aldine Club in New York City and was attended by representatives of most of the member companies. Following the reading of reports and ensuing discussions officers were elected as follows:

President, Barrett C. Gilbert, vice-president Gilbert Storage Co., Inc.

Vice-president, Thomas F. Murray, president Day & Meyer, Murray & Young, Inc.

Secretary, William T. Bostwick, president Thomas J. Stewart Co.

Treasurer, William R. Wood, secretary Liberty Storage & Warehouse Co.

Directors, Ernest H. Milligan, vice-president Lee Brothers, Inc.; Edward T. Jenkins, owner Long Island Storage Warehouses (Brooklyn); George Kindermann, president Julius Kindermann & Sons, Inc.; William E. Cramker, secretary Bowling Green Storage & Van Co.

It was announced that the plan to put in active operation a corporation to handle inter-city shipments of household goods by motor truck had been deferred pending development of the plans of the National Furniture Warehousemen's Association along this line.

—P. J. O'Connor.

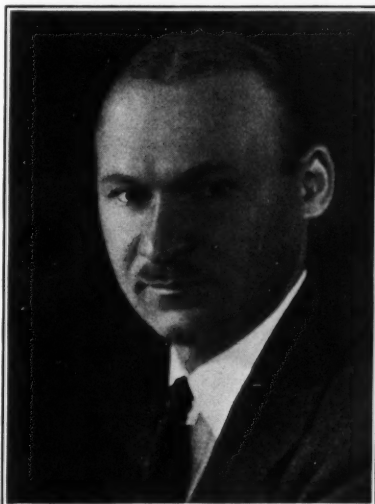
(Editor's note: In the January issue of *Distribution and Warehousing* it was erroneously stated that the New York association had already formed a corporation to engage in long distance removals of household goods by truck. Plans for one had matured to the extent that the association was on the verge of filing articles of incorporation but at the eleventh hour these plans were deferred.)

At the New York association's February meeting, held on the 13th, Barrett C. Gilbert, president, alluded to the Code of Practice adopted by the National Furniture Warehousemen's Association at

the latter's Hollywood convention and indicated that it probably would be adopted by the New York association.

Charles Morgan read a paper setting forth a plan which he proposed that the association adopt to police members'

Barrett C. Gilbert



Elected president of the New York Furniture Warehousemen's Association

rate practices, the purpose being to prevent members from "cutting the corners" in this respect. The plan was referred to the better business committee, which will present some sort of a report at a future meeting.

Henry Reimers, Chicago, executive secretary of the N. F. W. A., reported regarding the Interstate Commerce Commission's motor vehicle regulation hearing (see page 7), and outlined in detail the National's plan to organize a long distance removals corporation.

—K. B. S.

Illinois

AT a meeting of the Central Warehousemen's Association of Illinois, held at the Hotel Clifton in Ottawa on Feb. 18, the following resolution was adopted having to do with the plan, which has been under discussion for the past two years, to effect affiliation of the Central, the Illinois Association of Warehousemen and the Illinois Furniture Warehousemen's Association:

"Resolved: That it is the sense of this meeting that there be a State-wide association to be known as the Illinois Association of Warehousemen. Be it further resolved that membership therein may comprise all branches of the industry, namely, general merchandise, household goods and cold storage; that meetings may be held at such times and places as may best serve the purposes of the members and, in case such meetings are held that may involve problems pertinent to more than one branch, such meetings shall be arranged to provide sessions distinct from that of another branch; that each branch may have its own chairman and secretary.

"Furthermore, to stimulate membership in communities with a population of 15,000 or under, that dues be fixed at \$15 a year; that this resolution be submitted to the Illinois Association of Warehousemen for their consideration at their next meeting."

Forty-four per cent of the present membership of the Illinois Association of Warehousemen is made up of Illinois companies outside the Chicago district. This organization was represented at the Ottawa meeting of S. C. Tooker, Jr., its president, who gave assurance that the Chicago members would welcome the action taken and would lend every effort to make the organization of value to down-State firms. About 50 per cent of the C. W. A. I. members belong also to the I. A. W.

Russell T. Hillier, Springfield, secretary of the C. W. A. I., outlined the plan at the Ottawa meeting. It is purposed

to have this organization continue to function but to confine its activities to its bonding department. In this department the association carries its members' bonds to the State and has built up a substantial bank reserve for this purpose.

It seemed to be the sense of the meeting that the Illinois Association of Warehousemen would hold two down-State sessions a year, which would be considered semi-annual State-wide gatherings to which all branches of the industry would be invited. With the exception of these two down-State meetings, the I. A. W. would continue to assemble monthly in Chicago, as at present. The Chicago meetings would be exclusively for the merchandise warehousemen, with the down-State warehousemen invited to attend.

The action taken at Ottawa, it was announced, would be placed before the Illinois Furniture Warehousemen's Association, and the concurrence of that organization is anticipated, as the I.F.W.A. has for some time been considering changing its name to Chicago Furniture Warehousemen's Association.

Employer Cooperation

W. D. Blatter, representing the Associated Employers of Illinois, which maintains permanent headquarters in Chicago and which represents employers before the Legislature in Springfield, addressed the Ottawa meeting and invited the warehousemen, either individually or as a group, to become affiliated with his organization. The secretary was instructed to communicate with the various members and get their reaction prior to the next meeting, which will take place at the Inman Hotel in Champaign on June 22 and 23.

Fred W. Bohl, a Galesburg member, pointing out that a warehouse must have a license to operate in Illinois, said that a warehouse receipt issued by an unlicensed company was not a legal document, and he suggested that newspaper publicity along this line would be desirable.

C. B. Hall, a Danville member, discussing "Maintaining Prices," pointed out the tendency by warehousemen to reduce prices during any depression. Because a noticeable depression existed now among the central Illinois warehousemen, Mr. Hall urged more careful study of costs of operation and urged the members to maintain a rate schedule that would assure normal profits. Proper advertising and intensive selling of warehouse service were essential factors, he declared.

H. J. Crandall, the association's president, was in the chair, and the guests included Mr. Tooker and Chester B. Caruth, actuary of the American Warehousemen's Association.

At the June meeting the first day's sessions will be devoted exclusively to household goods problems and members of the Illinois Furniture Warehousemen's Association will be invited to attend.

—W. D. Leet.

Maryland F. W. A.

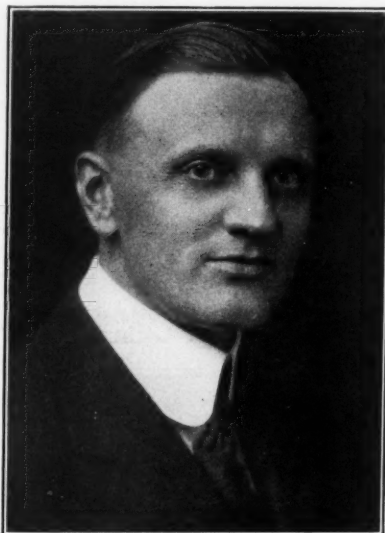
THE MARYLAND FURNITURE WAREHOUSEMEN'S ASSOCIATION held its eighteenth annual meeting on Feb. 13 at the offices of the Baltimore Storage Co., Baltimore, and elected officers as follows:

President, L. A. Naylor, president Monumental Storage & Carpet Cleaning Co., Baltimore.

Vice-president, Thomas H. Vickery, president Baltimore Storage Co., Baltimore.

Secretary, C. J. Hamilton, president Security Storage Co., Inc., Baltimore.

Lawrence A. Naylor



Reelected president of the Maryland Furniture Warehousemen's Association.

Treasurer, E. E. Bachmann, secretary Baltimore Storage Co., Baltimore.

Directors, the foregoing and William B. Magruder, president Graham's Storage Warehouse Co., Baltimore, and Martin J. Reilly, president Fidelity Storage Co., Baltimore.

Mr. Vickery served as chairman of the meeting, relinquishing the chair to Mr. Naylor following the election of officers.

It was decided to rearrange membership dues so they would be proportioned on the cubic foot basis.

The association's annual dinner was held at the Hotel Rennert, Baltimore, on the evening of Feb. 15 and was attended by nearly a hundred executives, including warehousemen from New York, New Jersey, Pennsylvania, Delaware and District of Columbia.

New Jersey F.W.A.

THE annual meeting and dinner of the New Jersey Furniture Warehousemen's Association took place in Newark on Jan. 12. Nearly all the members were present. The reports of the officers and various committee chairmen were read and discussed and the following officers were elected:

President, George Sebold, vice-president Weimar Storage & Trucking Co., Inc., Elizabeth.

First vice-president, James E. Mulligan, secretary Knickerbocker Storage Warehouse Co., Newark.

Second vice-president, Frederick Petry, Jr., president Petry Express & Storage Co., Trenton.

Third vice-president, Richard Coyne, Jr., owner Richard Coyne Storage Warehouses, East Orange.

Secretary, Frank J. Summers, Model Storage Warehouses, Newark.

Treasurer, Griswold B. Holman, secretary George B. Holman & Co., Inc., Rutherford and Hackensack.

Directors each for three years, Edward Leach, manager E. E. Leach, Inc., Montclair, and Thomas A. McGrath, treasurer Roseville Storage Co., Newark.

The New Jersey association is fighting, on the ground of unconstitutionality, the State law under which a tax of 1½ cents a mile is assessed against every motor truck and bus operating across the State line, incoming or outgoing. While the statute does not affect trucks operating wholly within New Jersey, the State association is taking the broad view that trucks bringing household goods into the State should not be penalized, and it is hopeful that the law either will be repealed or else amended to exclude moving vans. The action taken by the organization is one involving an injunction in the Courts, and a ruling on the case was pending late in February.

The New Jersey association is fighting also the proposed removals bill which would compel warehousemen and van owners to take out permits for all moving jobs and to file monthly reports of work done. The organization has on three previous occasions defeated legislation of this character.

—P. J. O'Connor.

Kansas

AT the annual meeting of the Kansas Warehouse & Transfermen's Association, held in Topeka in February, officers and directors were elected as follows:

President, C. M. Drennan, manager Ark Warehouse Co., Arkansas City.

Vice-president merchandise division, E. W. Jones, vice-president United Warehouse Co., Wichita.

Vice-president household goods division, L. R. Bailey, president, L. R. Bailey Transfer & Storage Co., Emporia.

Vice-president cold storage division, A. B. Shaffer, manager Crystal Ice & Storage Co., Independence.

Secretary, M. E. Cuykendall, manager Brokers Office & Warehouse Co., Wichita.

Treasurer, L. D. Ferguson, owner Merchants Transfer & Storage Co., Hutchinson.

R. H. Short, treasurer of the Kansas Ice & Storage Co., Salina, was elected a director to represent the cold storage division.

—Merryl Schwind.

Editor's note: A further report of the Kansas Meeting will appear in the April issue.)

Thomas Heil, Jr.



Reelected president of the Ohio Association of Commercial Haulers

Michigan, W. A.

A NEW State organization is being formed—the Michigan Warehousemen's Association. Primarily it is for merchandise and cold storage executives, but household goods warehousemen may join also.

At the recent organization meeting Harold L. Brown, manager of the Detroit Railway & Harbor Terminals Co., Detroit, and O. E. Speck, secretary of Service Warehouses, Inc., Detroit, were chosen respectively provisional president and provisional secretary.

Tentative incorporation has been made and a charter filed, and early in February fifteen companies had signed up at the \$50 initiation fee.

It is planned eventually to retain a salaried secretary to devote his time to the association's affairs.

—W. D. Leet.

Grand Rapids

AT the annual meeting of the Transfer & Storagemen's Association of Grand Rapids, Mich., held on Jan. 9, the officers were elected, as follows:

President, Andrew DeGroot, president A. DeGroot & Sons Storage Co.

First vice-president, Gelock Transfer Co.

Second vice-president, Harry R. Wells, manager Security Storage & Transfer Co.

Secretary-treasurer, E. M. Radcliffe, owner Radcliffe Storage Co. This is Mr. Radcliffe's twenty-fourth successive term as secretary.

The meeting was addressed by E. Ross

Ferra, manager of the Grand Rapids Safety Council. The members all agreed to place on their trucks a sign reading, "Take Time, Not Life."

Ohio W. A.

THE Ohio Warehousemen's Association held its annual meeting on Feb. 23 at the Hotel Winton in Cleveland and elected officers as follows:

President, W. R. Kissick, secretary Neal Fireproof Storage Co., Cleveland.

Vice-president, William H. Kutschbach, secretary Kutschbach-McNally Co., Columbus.

Secretary and treasurer, Herbert H. Lederer, president Lederer Terminal Warehouse Co., Cleveland.

Directors, the foregoing and Don C. Welch, manager Security Storage Co., Cincinnati; E. H. Lee, secretary H. C. Lee & Sons Co., Toledo; A. H. Greeley, president General Storage Co., Cleveland; Paul J. Herbert, president William Herbert & Son Co., Youngstown.

—A. K. Murray.

Ohio A. C. H.

AT the annual convention of the Ohio Association of Commercial Haulers, held at the Hotel Winton in Cleveland on Feb. 22, officers were chosen as follows:

President (reelected), Thomas Heil, Jr., president Windermere Storage Co., Cleveland.

Vice-president, Paul J. Herbert, president William Herbert & Son Co., Youngstown.

Secretary (reelected), Lloyd Riley, Columbus.

Treasurer (reelected), D. E. Edwards, president Edwards Transfer Co., Columbus.

Manager (reelected), Frank E. Kirby, Columbus.

New directors, each for two years: Mr. Heil, Mr. Edwards, and Frank E. Schmidt, Toledo; Ray Wagner, Wagner Fireproof Storage & Truck Co., Springfield; John Schlemmer, secretary McKinley Storage & Transfer Co., Canton;

W. R. Kissick



Chosen as presiding executive of the Ohio Warehousemen's Association

Frank W. Stacey, secretary William Stacey Storage Co., Inc., Cincinnati; Ora Stafford, Springfield; D. Stelzer, partner D. Stelzer & Son, Lima; E. G. Warner, Zanesville; E. B. Evans, Van Wirt; L. J. Daniels, vice-president City View Storage Co., Akron; J. B. Frostick, Portsmouth.

The delegates adopted a resolution requesting the State Public Utilities Commission to set an early date for a hearing for discussion of revision of the Commission's rules and regulations governing motor truck transport, the memorial declaring that experience had demonstrated a need for revision.

The association's by-laws were amended to provide that new members shall pay their initiation fees within ten days of being elected if the elections are not to be declared void. A 50 per cent increase in annual dues was voted.

—A. K. Murray.

St. Louis

THE St. Louis Furniture Warehousemen's Association at its recent annual meeting elected the following officers:

President, P. M. Stevens, president Geitz Storage & Moving Co.

Vice-president, A. J. H. Portmann, secretary F. H. Portmann Storage Co.

Secretary, J. Louis Boehl, secretary Boehl Storage & Moving Co.

Treasurer, B. A. Langan, president Ben. A. Langan Fireproof Storage Co.

New Firm in Los Angeles

The Sun Moving & Storage Co. has been organized in Los Angeles by Ashley L. Gleason and Paul O. Lichtenberg. Its office is at 816½ West Ninth Street.

Old Family Album Tells of E. A. Macomber and H. S. Mott

(Concluded from page 46)

and Mr. Mott decided to do a little storage business on the side, to help pay the rent. The storage rate at that time was 75 cents a month for a one-horse wagon load.

Next door there was a rooming house, and the youthful concern soon spread over into the basement of that house. Room by room, furniture ousted the lodgers, and the furniture and storage company filled the two buildings. Only two years after it was founded in space rented for \$10 a month, the United States Storage Co. was paying \$300 in rent for scattered warehouses all over the vicinity, none of them being fireproof.

Then, when the infant business was four years old, Mr. Macomber and Mr. Mott bought the buildings which they were occupying, and those next door on each side, and, their checkers forgotten, began dreaming of a fireproof furniture warehouse. Such an undertaking, however, required time, and it was four years before the partnership was changed into a corporation, with Eldredge E. Jordan, then president of the Franklin National Bank, as a third member of the company. A year later a nine-story reinforced concrete warehouse, equipped with private locked rooms, a silver vault, and piano rooms, was completed, and the United States Storage Co., conceived in a checker club and born in a basement, moved into its magnificent new home. It had come of age.

One of the first new clients to take advantage of the new fireproof warehouse was the United States Government. The two top floors were leased by the United States Patent Office for the storage of patent models. For many years the thousands of models of strange and epoch-making inventions were stored on those two floors at the top of this depository.

Somehow, it seems, Mr. Macomber and Mr. Mott insist on ousting their next-door neighbors and moving in. In recent years they have bought adjoining property and improved it. This property is the same size as the space covered by the warehouse—50 ft. by 100 ft. The office has recently been rebuilt and redecorated with walls of Italian marble and floors in black and white—in a huge checkerboard design! Above the counter one may see through plate glass to a compartment showing how pianos are stored, and at the rear of the office the silver vault is revealed. The sales room has been rearranged to provide for better display of the used furniture the storage company still sells, with antique furniture displayed at the front and modern furniture at the rear. Everything is sold there—everything that can be bought at a price lower than that at which it can be sold. Pop-corn poppers and doll carriages, four-poster beds and Oriental rugs—anything of use in a house may be found in the large sales rooms.

Until 1911 the entire business was personally conducted by the original partnership, Mr. Macomber and Mr. Mott. In that year, however, Mr. Mott's son, Van Wyck Mott, was graduated from school and initiated immediately into the business. Four years later Mr. Macomber's son, Raymond E. Macomber, became actively engaged in the company. At 35 years of age Van Wyck Mott is secretary-treasurer of the company and is a member of the board of directors of the National Furniture Warehousemen's Association. At 42 Raymond E. Macomber is manager and superintendent of the firm.

But the advance of the younger generation does not mean that Edward A. Macomber and Henry S. Mott have retired. Mr. Macomber, at the age of 82, is still active in the business, and Mr. Mott, nearly 70, is on the job every day.

During the twenty-eight years of the firm's life it has moved and stored furniture for many people famous in this country and abroad. Senators and Congressmen, diplomats and Government officials, generals and admirals, have had this firm move their household goods to and from Washington. Admiral Dewey's furniture was stored there for years, and Sousa, that immortal bandmaster, has the company take care of his furniture.

"We run our business like a bank," Mr. Mott explained. "We do what we promise. We give the service required. We fulfill the trust placed in us. Service and confidence are the foundations of a storage company, as they are of a bank."

There was a lot of caution, too, compounded in the recipe for the Macomber-Mott success.

"When we started business in 1900," Mr. Mott says, "We worked on the theory that there was going to be a panic. We wanted to be safe if the panic came. We did not make expansions that would have brought disaster had a financial depression hit us."

"This method of doing business worked so well that we have stuck to it ever since. If there was a depression we were ready for it. If there wasn't—so much the better."

A large wholesale business in used furniture made up part of the firm's work for a long time, but today its retail used furniture business is one of the largest in Washington. Around the firm's plant has clustered a large number of other second-hand furniture stores, so that it towers above the very center of the antique and used-furniture business of the Capital, which is full of people with furniture to sell and others with dreams of making valuable finds in second-hand furniture.

Only a block away, in a building almost exactly like the first building occupied by the United States Storage Co., is the Abraham Lincoln Collection, in the house where Lincoln died, across the street from Ford's Theater where he was assassinated. Thus all the sightseers of Washington pass up and down that memorable street.

Daniel and Sammis Form a Fumigation Service Firm

CHARLES C. DANIEL, president of the Central Storage Co., Kansas City, and W. A. Sammis, secretary of the company, have organized the Fumigation Service & Supply Co., a general commercial fumigation service. Becoming interested in the business through the fumigation of merchandise in their own warehouse, Mr. Daniel and Mr. Sammis saw the possibilities in a commercial fumigation project, and with the incorporation of this \$50,000 business are now prepared to fumigate flour mills, apartments and residences and every type of commercial establishment, using liquid hydrocyanic acid, a deadly gas.

In the organization of the fumigation firm they absorbed the Southwestern Sanitary Co., which did a considerable business in the fumigation of return sacks for flour mills, and W. W. Hinds, formerly president of that company, has become vice-president of the new company and will act as operating manager.

In addition to selling the fumigation service the new firm will act as exclusive agents in Missouri, Kansas, Nebraska and Oklahoma for the Haskelite vault—a patented fumigation vault—for use in flour mills for the fumigation of return sacks. A vault of this type is now being used in the Central Storage Co.'s warehouse for fumigation of dried fruit, rice, coffee and other merchandise. According to Mr. Sammis there is a real need for such a fumigation service for merchandise, to replace the home made vaults which are not airtight.

After becoming interested in the project in connection with the service to flour mills, Mr. Daniel and Mr. Sammis believed that the scope of commercial fumigation was almost unlimited, and they decided to include fumigation of buildings of every character, and an extermination service as well for rodents and insects. Starting a direct mail advertising campaign immediately, they will have four salesmen, one of whom will devote his entire time to the mill service. Experts will conduct the actual operations in connection with the use of the hydrocyanic acid gas.

Stewart Personnel Changes

Changes in the personnel of the officers of the Thomas J. Stewart Co., operating household goods warehouses in Jersey City, N. J., and New York City, are announced by William T. Bostwick, the president, as follows:

Miss Helen T. Judge, formerly secretary, is now vice-president.

John Hart, of Nutley, N. J., formerly manager of the Jersey City plant, is now the company's secretary and manager. During the war he was identified with the J. B. Conboy trucking interests.

Charles Bell, who was vice-president of the Stewart firm, has resigned and is now New York district manager, at 33 W. 60th Street, for the Baker-Rauling Co., Cleveland manufacturers of industrial tractors and trucks.

OUR SERVICE

The Service we sell to warehousemen is not duplicated by any other architect or firm of architects in the country. We are the only architects specializing exclusively in warehouses who have a permanent organization of licensed architects, structural engineers and mechanical engineers. Warehousemen frequently inquire about the exact service we render. Here is a synopsis of our work.

Preliminary Studies

When we are called into consultation on a warehouse project in its preliminary stage we co-operate with our client in selecting property and advise him as to the proper size of the new plant. This advice is based on a study of the territory and an investigation of potential business. Our advice in this respect is invaluable because of the experience gained in handling scores of warehouse propositions all over the country.

After property is secured and the general size of the building determined upon we make an intensive study of the layout of the warehouse. To the ideas of our clients we add the experience obtained in designing all types of warehouses and thereby arrive at a layout best fitted to the particular project. The layout finally arrived at is not one decided upon in a few hours or a few days, but is always the result of a thorough study of the proposition from the standpoint of location, efficient layout of the building from the operation standpoint and the economical layout of the building from the structural standpoint. While most warehouses of today are built of reinforced concrete, each proposition is studied to ascertain the most economical type for the case under consideration and comparative designs and estimates are made so that whatever is finally arrived at is the most economical structure that can be erected to serve the purpose.

Insurance requirements are studied so that the completed building will have the lowest insurance rate possible with the layout desired.

Financing

As soon as the preliminary plans are decided upon, we prepare a financial report which consists of a short history of the existing business; a description of the territory to be served by the proposition; why in our opinion the new project will be successful; a description of the building; copies of the preliminary plans; a statement of the estimated earnings and a statement of the estimated operating expense.

This report is generally found to be of real help in arranging the financing of the project.

Because we are not promoters, we cannot assist our clients directly in financing their proposition but on account of the large number of successful plants which we have handled we are very often able to put our clients in touch with interests who will finance the proposition or assist in doing so.

Final Plans and Specifications

After the preliminary plans are determined upon, we

prepare final plans and specifications. These plans and specifications are as complete as they can be made. To our average client this does not mean very much until our plans and specifications are completed and he hears comments from all sides as to their completeness. Even then he is doubtful as to what it means to him in dollars and cents. It means that all contractors bidding on his proposal are basing their proposition on something definite. If plans and specifications are not complete, it is the general practice of contractors to add a definite percentage to their estimate for items that they know should be included in the job, but which are not definitely specified. Our plans reduce the amount of "extras" to a minimum—we are glad to show prospective clients the exact amount of extras on all our past work.

Our plans and specifications are divided into three parts—all of which are complete in themselves and co-ordinate with each other. The architectural plans are prepared by a force of licensed architects among whom are men who have been connected with our firm for years. The structural plans are prepared by licensed engineers, experienced in designing every type of warehouse and handling all kinds of engineering problems. The mechanical plans which completely detail all electrical work, plumbing work, heating work, fire fighting equipment and refrigeration work are prepared by our own mechanical engineers who have handled millions of dollars worth of similar work for warehouses. *All of this work is done in our own office by our own men.* It is the custom of most architects to have some of their work done in their office and some done by outside engineers or firms whom they engage job by job. Work done under one organization is more efficient than work done in several scattered offices.

Awarding of Contracts

We assist our client in awarding contracts. Usually, the plans and specifications are sent out for competitive bids among a group of carefully selected contractors and the work is awarded to the lowest bidder.

Supervision

An engineer is detailed to watch the construction of our buildings. This man makes daily reports to our office so that our department heads are constantly in touch with the progress of construction. Each job is regularly visited by the department heads so the work is given double checking.

We approve all payments to contractors and thus protect our clients in their dealings with their contractors.

After construction work is completed, we are at the call of our clients to aid them in maintaining the building for a reasonable length of time.

Fee

The charge for our service is based on a percentage of the cost of construction. *We do not cut our fee in order to compete with other architects* because we are organized to give only the best service possible and a cut in fee by any architect means a cut in Service.

USE OUR SERVICE

MOORES & DUNFORD, Inc.

110 East 42nd Street



New York City

Life of G. J. Hansen Is Told in Old Family Album Sketch

(Concluded from page 47)

owned were offered about 125 per cent of their capacity, so that there were constantly from fifty to a hundred cars standing in the yards outside and waiting to be unloaded. By working a night crew Mr. Hansen was able to keep ahead of demurrage. He was, however, forced to acquire more floor space, so he purchased two pieces of property which, with improvements, represented an investment of \$600,000. One of these tracts, 100 by 150 ft., is on the Milwaukee River immediately adjacent to the harbor entrance. Thus the building has the river on one side and the railroad on the other.

For the past eleven years the major portion of the company's earnings have been reinvested in the business. During that time new buildings have been constantly under course of construction and new property has been purchased to the tune of from \$50,000 to \$100,000 a year. At the present time the concern is operating fifteen warehouses with trackage facilities to spot more than forty carloads of merchandise at the warehouses at one time. The fifteen buildings embrace some 600,000 sq. ft. of floor space, and the team of horses with which Mr. Hansen started his venture has long since given way to a fleet of twenty large platform trucks. This latter change, of course, took place gradually. The one horse-drawn van was first expanded to twenty teams. Later a few motor trucks were purchased as an experiment and only last spring the company, on figuring costs, definitely decided that a team cost more money per ton mile than a motor-driven van. So the last of the horses was sold.

The Hansen company specializes in merchandise. Its experience with long distance hauling has been unsatisfactory, according to Mr. Hansen, so the company's business is confined to the city of Milwaukee and its suburbs.

The company has had to contend with the new system of distribution that all manufacturers have tried out in recent years, but Mr. Hansen firmly believes that the economic question involved in the manufacturer's endeavor to reduce distribution expenses will be found to be wrong and that within the next few years almost all manufacturers will be forced to go back to the older and safer way of distributing merchandise. That pool car distribution from team track as against carrying stock and delivering from warehouses will mean sufficient loss to the manufacturer so that pool car distribution will be discontinued, he also predicts.

Mr. Hansen was born in Milwaukee. He is a member of the American Warehousemen's Association and the American Chain of Warehouses and is affiliated with the Warehouse Securities Corporation in Chicago. The company of which he is the head now owns everything it operates, the original invest-

ment of \$100,000 having been increased to \$1,400,000.

Mr. Hansen still is a young man—a tall, broad-shouldered man with a brusque manner and a disarming smile. In the gray and blue stucco office which he occupies in number 1 of his group of buildings there are flowers on the desk, seeming to indicate that his life has not been given over entirely to business. There is a portrait, too, in a dull gold frame—the photograph of an attractive family group. And on another corner of the desk there is a statuette of a comfortable, bewhiskered gentleman, evidently of German origin, with a stein poised in his uplifted hand—an eternal toast to what made Milwaukee famous.

Correction:

IN the listing of the Lincoln Warehouse Corporation, New York City, on page 346 of the 1928 Directory (January), issue of *Distribution and Warehousing*, the title "Vice-President and General Manager" was in error omitted before the name of Walter C. Reid, who holds those two positions with the Lincoln company.

Owners of the Directory should make the necessary correction in their copies, for future reference.

McCormack Controls Lexington

John P. McCormack, well known in the trucking industry in Brooklyn, has taken over Lexington Storage & Warehouse Co., Inc., at 25-27 Lexington Avenue, Brooklyn.

The building is one of the oldest semi-fireproof storage structures in the city and has a capacity of about 400 loads of household goods.

Examiner Flynn's Report on Motor Vehicle Regulation

(Concluded from page 13)

transportation of the property. It is extremely difficult to fix any standard of rates or charges for contract carriers which will not interfere with the flexibility of the service and its usefulness in serving the public.

"The bulk of the motor trucks used in intercity transportation are of the smaller capacities.

"A relatively small number of trucks are engaged in the commercial or 'for hire' transportation of freight.

"Operators of individual trucks and even of fleets of trucks generally have not kept adequate cost records.

"Analysis by the Bureau of Public Roads of available operating cost records of commercial truck operations indicates that the short haul, 45 miles or less, is profitable while the long haul is unprofitable."

Texas Civil Court Upholds Taxing of Goods in Storage

FORMAL notice has been received by the Texas State Attorney General's department that the Court of Civil Appeals of Dallas has rendered a decision that the State law is constitutional which provides that goods and commodities stored in public warehouses as of date of Jan. 1 in any year may be assessed for taxation.

The case was that of R. E. Vineyard, tax assessor of Dallas County, against the Inter-State Forwarding Co., Dallas, of which the president is William I. Ford, who is president of the National Furniture Warehousemen's Association, but who stores merchandise as well as household goods.

The tax assessor sought through mandamus proceedings to compel the Inter-State to furnish him with lists of all articles stored in the company's warehouses a year ago this past January. The Inter-State opposed, on the ground that the law was in its opinion unconstitutional.

The case was tried in the District Court in Dallas and that tribunal granted a mandatory injunction requiring the Inter-State to supply the information sought by the assessor.

The Inter-State appealed the ruling to the Court of Civil Appeals.

It is understood in Austin, the State capital, that the Inter-State company will carry the case to the State Supreme Court.

Meanwhile, it is stated in Austin, all county tax assessors in the State will be officially advised to assess warehouse contents for taxation, and warehouse owners will be required to furnish the assessors with complete lists of goods in storage on Jan. 1, 1928. *Ad valorem* taxes on these assessments would not in any event be payable until late in the current year, and should the State Supreme Court upset the rulings of the lower tribunals, the various owners would not then be called upon to pay the taxes.

The statute being opposed by the Inter-State requires not only that owners and operators of warehouses furnish lists of goods stored, but also that they turn over to the assessors the names of the owners of the goods.

New Brooklyn Company

Kings County Warehouses, Inc., has been organized in Brooklyn with Thomas F. Flynn as president and has taken over a new fireproof warehouse at 1062-1070 St. Johns Place. The company will handle all kinds of dry storage—merchandise, household goods and business records.

Mr. Flynn has had a life-time experience in traffic affairs, having been associated with the Adams Express Co. for many years. He is identified with Peter Lesser, Inc., moving directors, who have been in business in Brooklyn since 1870.



This International Truck Is Doing the Heaviest Kind of Hauling for the Terminal Cartage Company, Vancouver, B. C.

New International Evidence!

ALMOST every day new evidence comes to us of the special ability of International Harvester equipment to handle heavy loads or light with extraordinary efficiency.

Little and Paul, Boise, Idaho, operating 11 heavy-duty Internationals say: "We are replacing our other makes with Internationals as fast we as can, as we know beyond a doubt that Internationals can be operated more economically, give better service, and make us more money than any other heavy-duty truck we ever used."

Mr. J. B. Ford, vice-president of the Chicago

and Eastern Illinois R. R., writes about the McCormick-Deering Industrial Tractor: "This machine has given us excellent service in hauling and hoisting, and we are finding new jobs for it almost daily. . . . By the use of this tractor, we are saving in our forces an average of more than one man per day, and at the same time handling our materials in a more efficient and satisfactory manner."

Ask us for information on the equipment required. We shall gladly give you a list of International Harvester Truck or Tractor owners in your line of business.

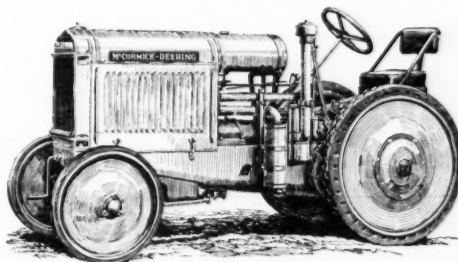
INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave. of America
[Incorporated]

Chicago, Illinois

International Harvester Trucks and Tractors

International Trucks are built in capacities ranging from $\frac{3}{4}$ -ton to 5 tons. Wheelbase lengths and bodies for every class of work. McCormick-Deering Industrial Tractors can be supplied equipped to meet your power needs.



INTERNATIONAL HARVESTER Trucks and Tractors

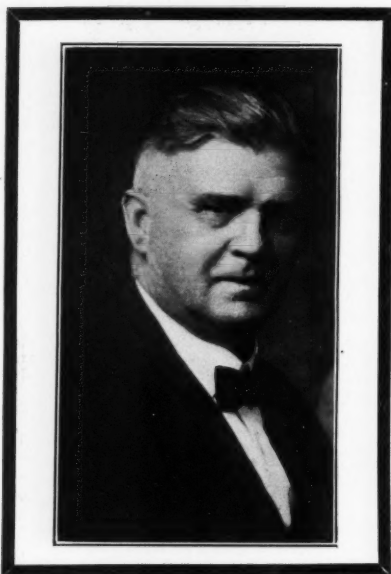
WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

"Jeff" Perky Passes Away in Kansas City in 70th Year

DANIEL JEFFERSON PERKY, president of the Perky Brothers Transfer & Storage Co. and a pioneer household goods executive in Kansas City, Mo., died there on Jan. 31 following a long illness. He had been in the hospital for three weeks, although for the past six months he had been in ill-health. He would have been 70 years old on Feb. 26.

D. J. Perky started in the transfer business in Kansas City in 1883 with a team and a second-hand furniture van. Shortly after he was joined by his brother, Albion Perky, who added another team and a wagon to the equip-

D. J. Perky



Kansas City executive who died
on Jan. 31

ment of the transfer and express business. From this start the brothers built up one of the largest household goods warehouse establishments in the city, with three fireproof warehouses, extensive equipment, and a sound and enviable reputation as an outstanding Kansas City institution.

Mr. Perky was born in Middletown, Ohio, in 1858. He was one of a large family and when his father's business was ruined at the time of the Civil War he went to work to help take care of the sisters and brothers. That was when he was ten years old, and from that time on he supported himself and assisted the family. In 1876 he went to Kansas, where he worked and homesteaded, and married. By 1883 he was in Kansas City where he entered the transfer business. The business grew in a small way until the panic of 1893. Then Mr. Perky went to St. Louis and after three years of working, and judicious buying and selling of horses and transfer equipment, he was ready to

come back to Kansas City, in 1896. In 1910 the Perky firm built there its fireproof warehouse. In 1922 it erected the second and in 1926 a third.

An outstanding figure in the industry in Missouri, Mr. Perky was characteristic of the old school that started with the household goods warehouse, when it could not command the dignity of that name, and saw it grow to be the economic factor which it now is. His success was traceable directly to his own strong character and business sagacity.

Mr. Perky was a charter member of both the National Furniture Warehousemen's Association and the Missouri Warehousemen's Association and was a familiar figure at conventions. A sketch of his life and business career was published in the February, 1927, issue of *Distribution and Warehousing* as part of this magazine's "Old Family Album" series.

Associated with Mr. Perky in his business were his two sons, Jefferson E. Perky, general manager of the business, and J. Frank Perky, manager of one of the warehouses. A third son lives in Los Angeles. George E. Leinweber, a son-in-law, is secretary-treasurer of the company. Mr. Perky is survived also by his widow, Mrs. Anna Perky, and three daughters, Mrs. Statia Andlauer, Mrs. Viola Tupy and Mrs. Pearl Leinweber.

Death of George Gibson

George Gibson, who until his retirement three years ago was president of the New York Storage Co., St. Louis, was killed in an automobile accident on Feb. 2. He was struck by a taxicab and died shortly thereafter. A large delegation of local warehousemen attended the funeral services.

Mr. Gibson was the father of Julian M. Gibson, vice-president of the General Warehousing Co., St. Louis, and a director of the National Furniture Warehousemen's Association. The son was in New York at the time of the accident, following his attendance of the National's convention in Hollywood, Fla.

J. S. Worthman Dies

J. S. Worthman, pioneer in the warehouse and shipping business in Baraboo, Wis., died recently in that city. He was born in Edgartown, Mass. Mr. Worthman served as an alderman in Baraboo and was city clerk for thirty-two years.

Little Rock Firm Expands

The Terminal Warehouse Co., Little Rock, Ark., heretofore engaging in merchandise storage only, has installed a complete household goods department with all modern facilities, including airtight storage vaults, an especially designed rug room and a piano room.

In this connection the company will operate local and inter-city hauling of furniture in large padded vans purchased for the purpose.

Henry Moore, for the past fifteen years superintendent of the merchandise warehouse, is in direct charge of the household goods section.

Eugene W. Lewis Is Dead; Was Cold Storage Authority

EUGENE W. LEWIS, general manager and treasurer of the National Cold Storage Co., New York City and Jersey City, and a recognized leader in the cold storage warehouse industry, died on Feb. 2, at the Shore Road Hospital in Brooklyn, following an operation for an intestinal ailment. While he had not been in the best of health for some time, his condition had not been considered serious.

Born at Baltimore on July 24, 1865, Mr. Lewis entered the cold storage industry in 1887, when he took a position with the Western Refrigerating Co., Chicago. Eleven years later he went with the Indianapolis Refrigerating Co., where he remained for several years. In 1903 he became superintendent of the Jersey City warehouse of the Merchants Refrigerating Co., and five years later he returned to Chicago and superintended the building of the warehouse of Sulzberger & Son, packers, which was operated as the Merchants' Cold Storage Co. He was manager of that plant until 1914, when the National Cold Storage Co. was organized in the New York metropolitan district, taking over a partly constructed warehouse on the Brooklyn waterfront.

Mr. Lewis came to New York to become general manager and treasurer of the National. Under his direction the Brooklyn plant was greatly expanded and its growth and success are directly attributed to his efforts. In 1924 the National acquired its plants in Jersey City and Mr. Lewis had been building this business since. He joined the Mercantile Exchange in 1914 and served it as an executive committee member and as member of various committees.

Considered an able cold storage engineer, his opinion of technical phases were highly regarded by the men of his industry. He was a member of the cold storage division of the American Warehousemen's Association, the New York State Cold Storage Association, the New Jersey Merchandise Warehousemen's Association and the Warehousemen's Association of the Port of New York.

Mr. Lewis is survived by his widow, one daughter and four sons. One son, Eugene W. Jr., is superintendent of the Jersey City warehouse and another, Rockwell, is superintendent of the Brooklyn plant.

Tacoma Blaze

Fire on Feb. 7 swept the building of the Pacific Storage & Transfer Co., Inc., Tacoma, Wash. The loss was estimated at \$125,000.

Portland Company to Build

The Portland (Ore.) Van & Storage Co., Inc., has let a contract for a \$40,000 annex 60 by 100 feet. The addition will be used for cold storage of furs.

How I got HARD-BOILED about Duals



EVEN when I was a kid I was always the first cash customer for every medicine show that came to town. In other words, I was easy to convince.

But since I dropped the hundred and twenty bucks I've grown more set in my ways. That little cold plunge 'woke me up to the fact that you can't be too broad-minded—and run a fleet of trucks at the same time—unless you're a good loser.

I'd been using Budd Duals for years with never a single tear of grief. So I'd never thought much about wheels, never had occasion to.

Then I bought a brand spanking new truck, and through force of habit, just took the wheels for granted. They were rather snooty-looking wheels, too.

But it wasn't long before that brand spanking new truck developed a ravenous appetite for tires. The wheels began to do a snake-dance and I couldn't break 'em of the habit. And believe me, folks, when you're paying the freight and tires are \$36

a throw, you can't laugh when they scuff out that way.

The boys kicked, too—said that changing one of those tires on the road was the toughest job they ever ran up against. And I was keeping books in two colors—red and redder.

No sir, you can't let yourself be smiled into buying *any* Dual wheel that comes along. You can't be carried away by charts and specifications and ballyhoo and paper talk. You've got to *know* your Duals.

I didn't used to be so hard-boiled, but I am *now*, believe me, and I paid one hundred and twenty bucks to get that way—

That's what it cost me for a set of Budd Duals to take the place of those rollers I fell for.

J. M. Wiser

Death Removes D. Buchanan, Pittsburgh Warehouseman

DOUGLAS BUCHANAN, secretary and treasurer of the Pittsburgh Terminal Warehouse & Transfer Co., Pittsburgh, died on Jan. 10 at his residence, 1309 Shady Avenue.

Descended from a family long distinguished in British civil and military affairs, Mr. Buchanan was born in Hamilton, Canada, on Dec. 9, 1860, the son of Isaac and Agnes Jarvis Buchanan. He was educated in private schools and the Galt Collegiate Institute, Galt, Ontario, and came to the United States at the age of twenty-one when attracted by the Pennsylvania oil fields. After a period of employment with the Oil City Boiler Works he located in Pittsburgh in 1883.

When the Pittsburgh Terminal Warehouse & Transfer Co. was established about twenty-five years ago Mr. Buchanan became assistant secretary and treasurer and later secretary and treasurer. His brother, James L. Buchanan, is the company's president.

Douglas Buchanan was married in 1883 to Sara E. Grayson. He is survived by Mrs. Buchanan; a son, Douglas Grayson Buchanan; a daughter, Evelyn Grayson, and two brothers and two sisters.

Widely known in Pittsburgh's business and social circles, Mr. Buchanan participated in forming the Pittsburgh Athletic Club, the Duquesne County Country and Athletic Club, the Pittsburgh Field Club and other organizations. He was a member of the American Warehousemen's Association.

Universal, Houston, Expands

The Universal Terminal Warehouse Co., Houston, is planning expenditure of \$150,000 to add two stories to its present two-story merchandise warehouse at Washington Ave. and Elder St., and will spend an additional \$15,000 to erect a modern garage for its fleet of motor trucks, according to announcement by S. P. Fleming, vice-president and general manager. In addition, the platform space along the Elder St. side of the building will be doubled at a cost of \$6,000.

Camden Terminal Financed

To finance the proposed warehouse of the Camden Rail & Harbor Terminal Corporation, Camden, N. J., a syndicate has underwritten an issue of \$1,650,000 first mortgage 6½ per cent sinking fund bonds, together with an issue of \$600,000 7 per cent debentures.

J. A. Raulerson has been made president of the new firm. He resigned recently as manager of the Philadelphia branch of Armour & Co., with which he had been connected for fifteen years. Frederick Cohen, of Merchantville, Pa., a consulting engineer, has been made vice-president.

The Camden company, organized under New Jersey laws, has a site approximately five and three-tenths acres

owned in fee, having 328 feet fronting on the Delaware River, adjoining the new Reading Terminal.

On this site it is planned to erect a \$2,000,000 warehouse, nine stories high, of reinforced concrete, to contain 2,980,000 cubic feet of space. About 73 per cent of this will be devoted to cold storage.

Wiggin's Lumber Handling

As an indication of the working facilities of the Wiggin Terminals, Inc., Boston, the cargo—four and a half million feet of lumber—of the steamship Henry Ford was recently handled and discharged in less than one day's time.

C. Clare Cater



Spokane warehouseman recently elected Illustrious Potentate of El Katif Shrine Temple. Mr. Cater is president of the Cater Transfer & Storage Co. and president of the Washington State Warehousemen's Association

Fort Worth Firm in New Home

The Texas Warehouse Co., Inc., Fort Worth, has removed to its new home, purchased last September, at 321-327 W. 15th St. The building contains 40,000 square feet of floor space and is equipped with automatic sprinkler system on all floors and represents, with motor equipment, an investment of approximately \$125,000. It is used for both merchandise and household goods storage.

A New Haven Subsidiary

The Providence Produce Warehouse Co., recently incorporated in Providence, R. I., is a subsidiary of the New York, New Haven & Hartford Railroad Co. It was chartered with a capital of \$350,000 and as soon as its proposed building, on Harris Ave. is completed, the Providence Terminal Market, operated by local produce interests, will go out of existence.

Hamilton Heads Security Storage Co., Inc., Baltimore

THE entire assets of the storage department of the former Security Storage & Trust Co., Baltimore, have been purchased by C. J. Hamilton, who was the firm's vice-president and secretary, and Mr. Hamilton has organized and incorporated the Security Storage Co., Inc., which he heads as president.

The assets consisted of a household goods warehouse, real estate, accounts receivable, motor equipment and good will, together with the real estate, good will and equipment of the Enterprise Cleaning & Storage Co., the latter located at 3124-3132 Frederick Avenue.

Mr. Hamilton has as his associates in his new venture the same employees who were with the storage department of the Security Storage & Trust Co. and thus has an organization and staff thoroughly experienced in the operation of the firm's storage business.

"This organization has worked together for a number of years," according to Mr. Hamilton, "and has gradually built itself into an efficient, permanent and harmonious group that is familiar with every detail of the business and enjoys a reputation for fair dealing and courteous and efficient services rendered to the public."

E. R. Zimmerman is vice-president of the new company. William E. Gettier is secretary and treasurer, Alexander Smith is assistant treasurer, and G. Hammond Myers, Jr., is assistant secretary.

The company's warehouse, of fireproof construction, has every modern facility for the care and handling of household goods, works of art, silverware, etc., and is equipped with a cold storage vault. The structure is a six-story and basement building, 100 by 175 feet, located at 13-19 West North Avenue.

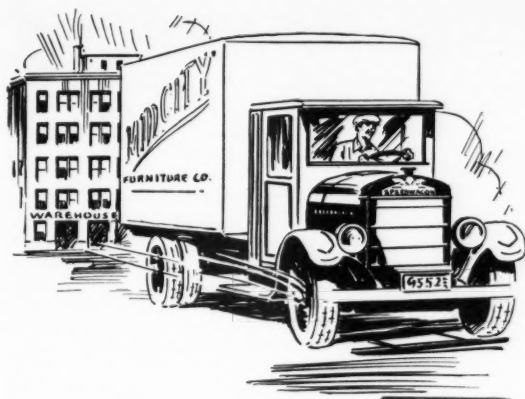
The combined resources of the Security Storage Co., Inc., will be approximately \$777,500.

The acquisition of the Enterprise Carpet Cleaning & Storage Co., one of the largest carpet cleaning establishments in the city, will enable the new firm to offer every facility for handling household effects.

C. J. Hamilton is one of the most widely known executives in the household goods storage industry. For many years he has been secretary of the Maryland Furniture Warehousemen's Association, which in February reelected him to that office. In January he was elected a vice-president and the Eastern regional director of the National Furniture Warehousemen's Association, of which he is a charter member.

Gaylon Re-elected

Announcement was made by the Knoxville Fireproof Storage Co., Knoxville, Tenn., on Feb. 1, that Eugene Gaylon had been re-elected president and general manager. Other officers chosen are V. L. Nicholson, vice-president; Miss Aileen Weigel, secretary and treasurer.



Steady Profits from Varying Loads

The same motor vehicles you use to haul household goods today, may be carrying stoves or shoes tomorrow. In order to be profitable, your trucks must stand up under a great variety of loads and uses.

The new Speed Wagons will meet the demands that you

put upon them. A new engine head design gives them 18% more power and 20% more gasoline mileage. The new Speed Wagons have the chassis staunchness, the dependability, that keeps them going—day after day—under every condition of operation.

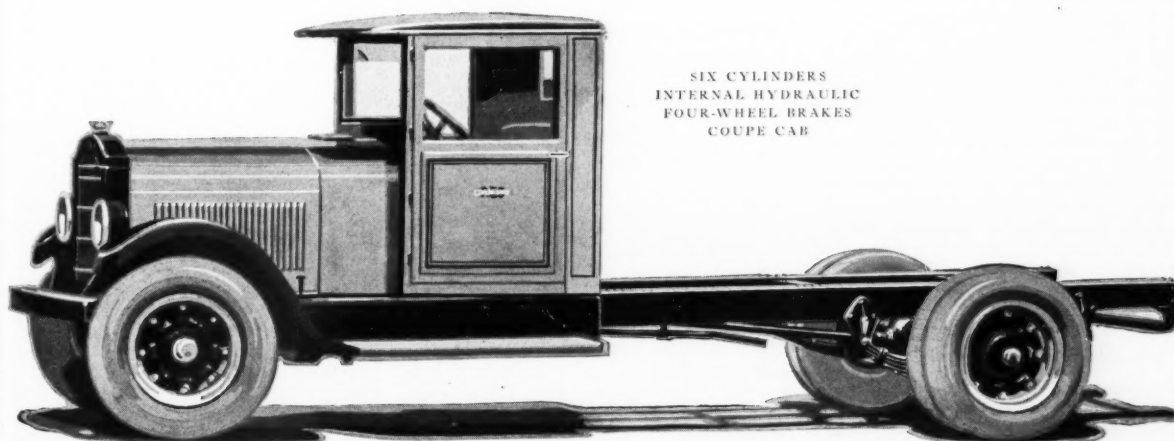
Standardize on Reo — there's a size and a capacity for every class of work you do. Try out a Speed Wagon—start it, step on it and stop it today.

REO MOTOR CAR COMPANY, *Lansing, Michigan*

SPEED WAGON

A Speed Wagon for Every Trucking Need

JUNIOR	TONNER	STANDARD
Capacity up to one-half ton	Capacity up to one ton	Capacity up to a ton and a half
MASTER	HEAVY DUTY	
Capacity up to two tons	Capacity up to three tons	



SIX CYLINDERS
INTERNAL HYDRAULIC
FOUR-WHEEL BRAKES
COUPE CAB

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Boston Warehouses Relieved from State Competition

THE low wharfage rates on Boston public piers owned by the State of Massachusetts, which heretofore have been seriously handicapping privately-owned terminals, will no longer be in effect after April 1.

The change will be a result of many complaints regarding inequalities in rates. The Wiggin Terminals Inc., and several other privately-owned terminals sought relief, claiming inequitable rate competition by State and Federal Governments.

The situation came to a head following a petition filed by Harry H. Wiggin, president of the Wiggin Terminals, Inc., who sought authority from the Massachusetts Department of Public Works, which controls the waterways and public lands, to increase his rates by adding a charge of 50 cents per 1000 board feet on lumber passing through the terminal's Boston dock for rail delivery. A hearing was granted and the whole problem was threshed out. It showed that Mr. Wiggin's overhead reached more than \$200,000, annually as compared with the State and Federal Governments operating their piers at a loss.

After an investigation, in which Lieut.-Gov. Allen took a prominent part, it was proposed that, to overcome the difficulty, an entirely new schedule of rates be made. Commissioner William F. Williams, head of the Massachusetts Department of Public Works, promulgated on Feb. 1 the new schedule of wharfage rates, effective April 1, at Commonwealth Pier, South Boston, and Pier 1, East Boston.

The new schedule provides a wharfage charge of 25 cents per short ton on all goods passing over the two piers by team, truck or rail. In the past there has been no charge for rail shipments, while other carriers had a scale ranging from 40 cents to \$1.25 per long run.

Although no estimates are given, it is anticipated that the new rates will result in a material increase in receipts for the State. What effect in competition these rates will have on privately-owned terminals is problematical at this time.

This only partly solves the wharfage rates at the port of Boston. The Army Base in South Boston, owned and controlled by the Federal Government, is still a rate-stumbling block which continues to injure the business of public warehouses. According to figures the Army Base has not made a cent in the past four years. However, hopes are entertained that the present system of low wharfage charges at the Army Base will soon be eliminated through action brought about by the Massachusetts Congressional delegation.

Coughlin Back With Lee Bros.

John H. Coughlin after an absence of several months has again taken over the general management of the household

and merchandise warehouses of Lee Brothers, Inc., New York City, together with the firm's plant in New Rochelle, N. Y. Before leaving the company recently Mr. Coughlin had been with the firm for ten years.

The Lee offices have been removed to the building at Park Avenue and East 125th Street.

Cotter Expands Transportation

The Cotter Transportation Co. has been incorporated in Mansfield, Ohio, by W. Lee Cotter, Akron, head of the Cotter warehouses in Ohio, and H. G. Brunner and F. M. Bushnell, to operate, acquire and own a motor transport business for hauling merchandise. The capital is 1,000 shares of stock of no par value.

Meanwhile papers have been filed at Columbus dissolving the Cotter Transfer & Storage Co. established in Mansfield in 1913.

Warehouseman, 84, Held "Too Old to Drive"

AT the age of 84, John Mulligan, president of the Knickerbocker Storage Warehouse Co., Newark, N. J., was recently refused an automobile driver's license when he applied for it at the State Motor Vehicle Bureau. Bureau officers told him he was too old to drive a car. According to a newspaper story:

"That reduced Mr. Mulligan to a sputtering rage. He is only eighty-four years old and he has been driving from his home to his office for sixty years. For the past five years he has been driving a car, and he admits himself that he drives better than 'a lot of these young chaps who run around full of liquor.'"

New Wisconsin Company

The Northern Storage & Warehouse Co. has been organized in Rhinelander, Wis., to conduct a merchandise storage business. Meyer H. Epstein is president; M. L. Epstein is vice-president; Erwin Keoler is secretary, and Samuel Laskow is treasurer. All are local business men.

Madison Firm Opens Plant

The Davis Transfer & Storage Co., Madison, Wis., opened recently its new two-story warehouse at 34 No. Charter St. The building is 130 by 60 feet, contains 14,000 square feet of floor space and cost \$51,000. It is used for storage of merchandise, household goods and automobiles.

Powelton Company Acquires Interstate in Philadelphia

ANNOUNCEMENT is made by Fred Eric E. Aaron and William H. Protzman, president and vice-president of the Powelton Company, Inc., Philadelphia, that the Powelton has acquired the business, fireproof warehouse and motor truck moving equipment of the Interstate Storage Warehouse Co., at 3939 Germantown Avenue, Philadelphia.

The Interstate was established in 1924. Its seven-story building was erected about four years ago by Moores & Dunford, architects, and includes the latest improvements in construction and design. It is fully equipped with cold storage fur and rug rooms, burglar-proof silver vaults, and safe deposit boxes, and has a specially constructed mezzanine floor for storing pianos and other musical instruments.

The Powelton company purchased the Interstate to take care of the former's North Philadelphia and Germantown customers and to acquire the cold storage plant and the silver and safe deposit vaults.

The Powelton is a member of the National Furniture Warehousemen's Association and the Pennsylvania Furniture Warehousemen's Association. The Interstate was a member of each.

Would End Chicago's Moving Rush by Allowing Leases Any Month

If the Chicago Home Economic Council realizes its objective a custom of forty years' standing in that city is to be done away with. The Council, announcing on Feb. 5 the opening of its offices in the Loop district, stated it had been organized to convince landlords, tenants and commercial interests that it was not good business to date all apartment leases May 1 and Oct. 1.

Chicago public utilities, in estimating that half of Chicago moved every year, pointed out that the gas company received nearly 200,000 orders for turning on gas around the two moving dates.

This congestion would be eliminated if landlords would allow leases to be effective any month in the year, according to Raymond Booth, executive secretary of the economics Council.

The movement is one which has long been favored by the furniture warehouse associations in the large cities.

New Dallas Truck Line

The Universal Transportation Co. has been organized in Texas to operate a motor truck line, for transport of freight, between Dallas, Fort Worth, Waco and intermediate points. Fred Gillette is manager of the Dallas office, at 1712 Carter St., and Ralph D. Smith is manager of the Fort Worth office, at 321 W. 15th St., which is the address of the new warehouse of the Texas Warehouse Co., Inc. G. G. Hayes is traffic manager of the new truck line and L. Gantt is commercial agent.



Two of the haulage units owned and operated by Frank Shellhouse Fireproof Warehouse Company of Indianapolis

Would You Throw \$900 Away?

To haul the same load as that carried on one of the Fruehauf Semi-Trailers shown above, you would have to buy a 2½ to 3-ton Motor Truck costing approximately	\$3350.00
Hauling this load with a popular priced 1 to 1½-ton Tractor-Truck and Fruehauf Semi-Trailer, your investment or first cost is ONLY	2450.00
In your investment or first cost this shows a SAVING of	900.00
Yearly depreciation on a 2½ to 3-ton Motor Truck, costing approximately \$3350—with average life of 4 years—would amount to	837.00
Yearly depreciation of Tractor-Truck and Semi-Trailer, costing \$2450—average life of Tractor-Truck being 4 years and of Trailer 8 years—amounts to	389.00
By using Tractor-Truck and Semi-Trailer instead of Motor Truck, you make a saving in depreciation each year of	448.00
The saving of \$448 in depreciation each year will replace your Tractor-Truck in 1½ years—but this replacement will not be necessary as the Tractor-Truck, because of the well-balanced distribution of the load, lasts much longer than a Motor Truck that is forced to carry the full load.	
Operating expense and upkeep of Tractor-Truck and Semi-Trailer are approximately 50% to 80% less than on the 2½ to 3-ton Motor Truck.	
You can use one Tractor-Truck with 3 or more Fruehauf Semi-Trailers—further reducing your investment and greatly increasing operating efficiency.	

The Fruehauf System of Low-Cost Haulage will save big money for you on all kinds of hauling. Write or wire for details that fit your special needs.

Your investment in a Fruehauf gives you the satisfaction always enjoyed by those who buy the best!

FRUEHAUF TRAILER COMPANY

Oldest and Largest Manufacturers of Trailers

Branches and Distributors in All Principal Cities

Semi-Trailers, 4-Wheel Trailers, Adjustable

Pole Trailers and Heavy-Duty Carryalls

10936 Harper Avenue

Detroit, Michigan

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Hackett Is Made Judson's V. P. and Traffic Director

RICHARD HACKETT, formerly Western freight traffic manager of the New York, New Haven & Hartford Railroad Co., has been appointed vice-president of the Judson Freight Forwarding Co., Chicago.

Mr. Hackett's career in railroad and industrial circles began in September, 1899. While still attending college preparatory school he entered the local freight house of the New Haven railroad at New Haven, Conn., securing the position that he might be able to pay his way through school. A short time later he was transferred to the freight station. From that time on he stayed in the New Haven railroad ranks, in 1904 being promoted to the general freight department and two years later to the freight traffic manager's office.

Mr. Hackett's more immediate contact with executive duties came in 1907, when he was sent to the office of the vice-president's traffic department as chief clerk. During the year 1912-1913 the vice-president of the New Haven also was vice-president in charge of traffic of the Boston & Maine Railroad, so that during that time Mr. Hackett also assumed the duties as chief clerk to the vice-president of two railroads. Three years later he became assistant to the vice-president.

During the next several years Mr. Hackett acquired a wealth of knowledge in the freight branch of railroading, as well as a clientele and host of friends throughout New England. It was because of this knowledge that on July 15, 1924, he was chosen to head the first Western freight traffic office opened by the New Haven road, at Chicago. With the title of Western freight traffic manager he was placed in charge of the territory from Buffalo and Pittsburgh to the Pacific Coast, and from Canada to Mexico.

Mr. Hackett is peculiarly fitted for his new position. His thorough knowledge of the freight transportation business, plus his experiences in the three important industrial sections—New England, Mid-West and West—makes him extremely valuable to his new connection.

H. H. Benedict has been appointed the Judson company's general freight agent, with jurisdiction over the Eastern territory. His headquarters office is at 82 Beaver Street, New York City.

Household Goods Rates

A downward revision in freight rates to points in the southwestern territory, effective May 16, will mean a lower tariff on less than carload shipments of household goods.

Used household goods as a carload should take a Class A rate, but under an exception in the tariff take a Class D rate.

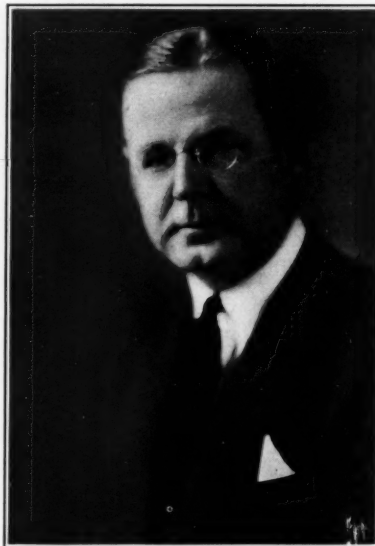
Using, as examples, St. Louis to Dallas and St. Louis to San Antonio, the present carload rate is 70 cents a hun-

dredweight, minimum 20,000 pounds. Some of the carriers are requesting that all exceptions under the tariff be removed, which would raise the used household goods carload class rate from D to A; thus, while the Class A rate will be reduced from \$1.20 to 95 cents a hundredweight, it would increase the carload rate from St. Louis to either of the two Texas cities to \$50.

New Company in Evansville, Ind.

The Beacon Warehouse Company has been incorporated in Evansville, Ind., with a capital stock of \$5,000, by J. A. Howard of Evansville and J. A. Doll and D. R. Carlton of Louisville, Ky., and plans to do a public warehousing business at Indiana Street and Heidelberg Avenue, Evansville.

Richard Hackett



*Appointed vice-president of the
Judson Freight Forwarding Co.,
Chicago*

New Plant for Brownsville

A two-story fireproof public bonded warehouse representing an investment of about \$120,000 is to be established in Brownsville, Texas, according to Roy Sethman of the S. & R. Sales Corporation of that city. Men identified with local theatrical, hotel, banking and commercial interests are sponsoring the plans, which call for a structure 100 by 150 feet along the Southern Pacific tracks just outside the city limits and for storage of household goods as well as merchandise.

Sells Its Cab Business

The Los Angeles Transfer Co., Los Angeles, has disposed of its cab business to the Yellow Cab Co. of that city. The transfer company has been operating a baggage business for fifty years.

Jackson Company Opens New Furniture Plant in Chicago

THE Jackson Storage & Van Co., Chicago, opened its newest household goods depository, on 22d St. at Central Park Ave., on Jan. 13 by holding what was probably the largest meeting in the history of the Movers' Association of Chicago, more than 500 persons being welcomed at the doors by T. A. Jackson, the firm's president.

Some of the company's motor equipment, both electric and gas, was displayed in the garage—including the firm's first van built on the bus type of construction, the design being that of A. R. Campbell, treasurer and manager of the company. Some of the Jackson black Percheron horses also were shown.

At the business meeting, presided over by Lou David, Mr. Jackson introduced A. E. Braun as manager of the new warehouse.

Refrigeration Congress April 9

The Fifth International Congress of Refrigeration, the activities of which will be of interest to the cold storage warehousing industry, will open on April 9 at the headquarters of the International Institute of Agriculture, Villa Umberto I, Rome, Italy, according to word received at the offices of the American Association of Ice and Refrigeration in Chicago. The Congress will conclude its sessions on April 25. A meeting of the executive committee of the International Institute of Refrigeration will take place on April 11.

Grand Rapids Merger

The carloading department of the Manufacturers' Association and the warehouse of the Furniture Manufacturers Warehouse Co. have been consolidated and the new firm is being operated under the name of the Furniture Manufacturers Warehouse Co., with Frank E. Jones as general manager. The company does both a merchandise warehouse business and consolidating of cars of new furniture for manufacturers in Grand Rapids and territory.

Appleton King Marries

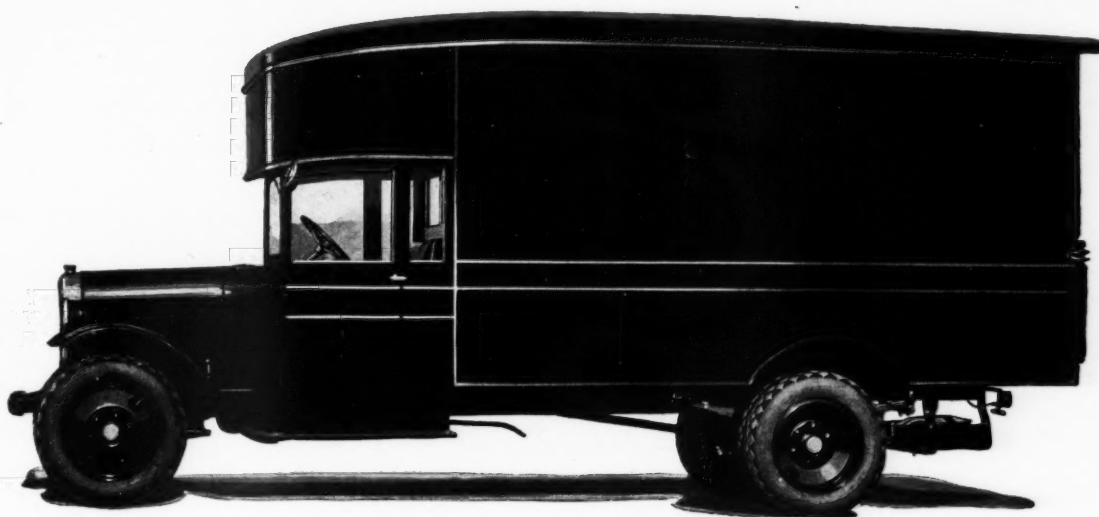
Appleton King, treasurer of the Northern Avenue Stores & Dock Corp., Boston, and son of Tarrant P. King, the firm's president, was married on Jan. 21 to Miss Helen Bayley of Boston.

Mr. King was graduated from Harvard in 1921. He is a member of the American Warehousemen's Association and the Massachusetts Warehousemen's Association.

Provo Installation

Machinery costing \$35,000 is being installed in the plant of the Provo Ice & Cold Storage Co., Provo, Utah. Other improvements are being planned, making a total expenditure of \$50,000.

SPEED



FASTER! . . . More speed! . . .
It is the demand of business.
And transportation, vital agent of
business, gears up in response.

Graham Brothers Trucks and Commercial Cars provide business with the desired speed—and more. They link up inseparably with speed two other factors necessary to give speed its maximum commercial value—safety and economy. Their power—source

of speed—is furnished by Dodge Brothers dependable engines, 4- and 6-cylinder. And each type of truck is so designed and built that the abundant power is converted into smooth, usable speed—the speed that means more trips per day, more money earned. Careful, exacting men from all walks of business

are buying 60,000 Graham Brothers Trucks and Commercial Cars a year.

2-TON . . . \$1595
6-cylinder engine, 4-speed
transmission, 4-wheel
brakes (Lockheed Hydraulic).
1½ TON . . . \$1245
4-cylinder engine, 4-speed
transmission, 4-wheel
brakes (Lockheed Hydraulic).

1-TON (G-BOY) . . \$895
¾-TON
COMMERCIAL . \$670
Chassis Prices f.o.b. Detroit

½-TON PANEL
DELIVERY CAR \$770
(Complete with body
f. o. b. Detroit)

GRAHAM BROTHERS TRUCKS

Sold and Serviced by
Dodge Brothers
Dealers Everywhere

Built by
Truck Division of
Dodge Brothers, Inc.

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Removals, Purchases and Changes

Arkansas

CAMDEN—Camden Ice & Coal Co. has plans for rebuilding its cold storage warehouse recently wrecked by fire with an estimated loss of \$50,000.

Little Rock—Arkansas Cold Storage Co. has plans for an \$85,000 3-story cold storage warehouse.

California

Chico—Chico Ice & Cold Storage Co. has begun construction of a \$35,000 cold storage warehouse and ice plant.

El Centro—Southern Pacific Co. is having plans drawn for a \$25,000 1-story warehouse and freight station.

Inglewood—Inglewood Transfer Co. is erecting a \$15,000 3-story concrete warehouse.

Los Angeles—The Boys Transfer & Storage Co. suffered loss by fire on Jan. 10 when a warehouse containing household goods was wrecked. The property damage was estimated at between \$50,000 and \$100,000.

Oakland—Southern Pacific Co. has filed plans for a \$40,000 1-story warehouse and freight building, 30 by 230 ft., at 7th and Fallon Streets.

Oceanside—Higley Truck & Transportation Co. has purchased the transfer and storage business of M. W. Holenbeck, on Tremont St.

Pasadena—Sierra Van & Storage Co. has sold its local hauling franchise and freight hauling equipment to L. R. Kagarse and J. Nelson Kagarse of the Keystone Express, Pomona, which will conduct its new Pasadena business as the Sierra Express.

Stockton—Pacific Fruit Express Co. has plans for a \$25,000 1-story addition to its cold storage warehouse and ice plant.

Watsonville—Apple Growers Cold Storage Co. will erect a \$20,000 cold storage warehouse on Beech Road.

Florida

Orlando—Florida Cold Storage Co. has preliminary plans for a \$350,000 multi-story cold storage warehouse.

Port Orange—Daytona Beach Ice Co. is considering construction of a \$24,000 cold storage warehouse on North Halifax Drive.

St. Petersburg—St. Petersburg Cold Storage Co. has completed plans for a \$275,000 4-story cold storage warehouse at 3d Ave. and 22nd St.

Illinois

Chicago—Chicago & Northwestern Railroad Co. has plans for a \$30,000 1-story warehouse on South Lincoln Street near Blue Island Ave.

Silvis—Continental Ice Co. has begun erecting a \$300,000 2-story cold storage warehouse and ice plant, 275 by 275 ft. on 1st Ave.

Indiana

Anderson—Clark Transfer Co. has plans under consideration for a \$100,000 warehouse on its present Main Street site.

Anderson—Joseph Heath Storage Co. has authorized plans for a \$26,000 2-story and basement warehouse, 36 by 100 ft., at Henry and 22nd Streets.

Hammond—Red Ball Storage Co. (Indianapolis) has filed plans for a \$225,000 warehouse at Columbia and 151st Sts., Hammond.

Indianapolis—Central Transfer & Storage Co. has added four vehicles to its truck fleet engaged in commercial freight hauling.

Kansas

Kansas City—Western Refrigeration Co. has filed plans for a \$150,000 cold storage warehouse and refrigerating plant.

Louisiana

Shreveport—Caddo Transfer & Warehouse Co., Inc., has taken over under lease a building at Crockett and Market Sts. at a total rental in excess of \$50,000 for five years and will operate it as the Caddo Terminal. The 4-story brick structure contains 60,000 sq. ft. of floor space.

Maryland

Baltimore—Arlington Ice & Fuel Co., recently organized, has acquired the cold storage warehouse and ice plant of the Zimmerman Ice Co., on Belvedere Ave., and will remodel and improve it.

Massachusetts

Lynn—North Shore Ice Co. is considering constructing a \$50,000 cold storage warehouse and ice plant.

Missouri

Excelsior Springs—Wabash Railroad Co. is considering erecting a \$30,000 1-story warehouse and freight station.

St. Louis—National Moving & Storage Co. has preliminary plans for a \$100,000 4-story warehouse, 55 x 209 ft. at 3660-3664 Gravois Ave.

New Jersey

Camden—The Bell Storage Co. has opened its new household goods depositary at 1639 Haddon Ave. The building represents an investment of more than a quarter-million dollars.

Camden—Camden River & Harbor Terminal Corp. has awarded a contract for its proposed \$1,000,000 9-story warehouse, 105 x 260 ft., on the Delaware River front.

Jersey City—Board of City Commissioners has plans for an \$8,500,000 storage and distributing terminal on the Hudson River front.

New York

Buffalo—Terminals & Transportation Corp. has filed plans for a \$40,000 1-story warehouse at 275 Hamburg Turnpike.

Brooklyn—New York Dock Co. has plans for a \$500,000 10-story warehouse and operating building at Furman and Joralemon Streets.

New York City—Julius Kindermann & Sons are disposing of their merchandise and household goods warehouse at 1349 Brook Ave. This is a non-fireproof building containing 15,000 cu. ft. of space.

(Concluded on page 76)

New Incorporations Within the Industry

California

ALTADENA—Altadena Auto Transfer & Storage Co. Owner, Lester H. McGraw.

Connecticut

Putnam—Connecticut Service Express, Inc. Transfer and express. Capital, \$50,000. Incorporators, H. D. Glawson, Putnam, and J. B. Glawson and G. R. Glawson, Boston, Mass.

Florida

Orlando—New Ice Co. Cold storage warehouse and ice plant. Capital not stated. Principal incorporator, H. H. Hancock.

Illinois

Chicago—Lincoln Auction & Storage Co. General warehouse, storage, moving and trucking business; general auctioneering; merchandising of furniture at retail. Capital, \$25,000. Incorporators, Paul R. Simon, Victor E. Kracji and Leo G. Hana.

Chicago—North American Cold Storage Co. Cold storage warehouse. Capital, \$500,000. Incorporators, John R. Nicholson, John T. Chadwell and Ralph G. Crandall.

Peoria—National Warehouse Co. (Established 1920). Capital, \$50,000. Incorporators, John W. Bushnell, Jr., Frank H. Hawk and William D. Brennan.

Indiana

Evansville—Beacon Warehouse Co. To own, operate, lease and conduct a general warehouse business. Capital stock, \$5,000. Incorporators, J. A. Howard, J. A. Doll and D. R. Carlton.

Indianapolis—Niman Transfer & Storage Co. Storage warehousing, transferring, cartage, commercial hauling. Capital stock, \$10,000. Incorporators, S. C. Niman, E. B. Niman and Miles Niman.

Maryland

Baltimore—Security Storage Co. (Established 1894 as Security Storage & Trust Co.). Storage warehousing. Capital, \$180,000, and 7500 shares of stock of no par value. Incorporators, Cornelius J. Hamilton, Clifford H. Teeple and Edward M. Thomas.

Massachusetts

Boston—Heald-Hall Transportation Co. Capital, \$300,000. Incorporators, Philip C. Heald of Nashua, N. H.; Irving G. Hall, Jr. of Lexington, Mass., and John W. Lowrance of Hingham, Mass.

Fitchburg—A. B. & C. Transportation Co., Inc. Capital, \$25,000. Incorporators, George H. Cooper and Kathryn M. Cooper of Fitchburg and William W. Cooper of Belmont.

New Jersey

Clifton—Eastern Forwarding Express Co. Transfer and express. Capital, \$100,000. Incorporators, Peter Baker, Herbert T. Baker and Herman P. Kaempfer.

(Concluded on page 76)



Business Builders

THE business building influence of the exceptionally fine appearance of the SCHACHT "Highway Express" is an extra value that you get without extra cost.

And in performance this highly developed SCHACHT chassis meets the most advanced standards of moving van service. Designed primarily as a bus chassis, with all the speed, stamina and ease of handling required in bus service, the SCHACHT "Highway Express," modified to meet commercial requirements, offers features of utility and economy found in no other vehicle of its type.

*Prices and complete
information on request*

THE LEBLOND-SCHACHT TRUCK CO.

*Pioneers in Motor Transportation
Factories and General Offices, Cincinnati, Ohio*

SCHACHT TRUCKS

An important date for men who wish to use the Government in their business

ON March 4, 1926, in Washington, there was started an unusual publication. It is The United States Daily, a newspaper devoted entirely to presenting every day a record of official Government action during the preceding twenty-four hours. It is unlike other newspapers.

It does not have to give space to local happenings, crime, divorce, suicide, society, sports, etcetera, because it is a *national* and not a local newspaper.

It was founded by David Lawrence and sixty-two other prominent American men and women, to tell honestly, and without editorial opinion or comment of its own, just what the Government does every day, indexed in every issue to add further to its usefulness.

The United States Daily is guided by one principle, and that is, "ALL the facts—NO editorial opinion."

We invite you as a reader of Distribution and Warehousing to subscribe. Three offers are given in the coupon below. Or, we will send you sample copies if you wish.

The United States Daily

DAVID LAWRENCE, *President*
Washington, D. C.

To The United States Daily
Washington, D. C.

Kindly send me The United States Daily as checked below:

- ☐ Six months, \$6
- ☐ One year, \$10
- ☐ Two years @ \$7.50 per year (\$15)
- ☐ Sample copies (no charge)

Name

Address

(Postage prepaid to any country in the world.)

658

Construction, Removals, Purchases and Changes

(Concluded from page 74)

New York City—Kay Moving Service, Inc., is reported planning a \$500,000 10-story warehouse on Amsterdam Ave.

New York City—Lehigh Valley Railroad Co. is completing plans for a 2-story addition to its warehouse and freight terminal at 149th St. and Harlem River.

New York City—New York Central Railroad Co. has filed plans for extensions and improvements to its warehouse and terminal at 615-633 West 59th St., at a cost of \$150,000.

New York City—R. Wilbur Tietjen and associates have engaged architects to draw plans for a 12-story warehouse and railroad terminal on the blocks bounded by 26th and 27th Sts. and 11th and 13th Avenues. The estimated cost is \$5,000,000.

Poughkeepsie—Bacu Ice Co. is perfecting plans for a \$65,000 cold storage warehouse three stories high.

Ohio

Cincinnati—Cincinnati Union Terminal Railway Co. has tentative plans for a \$15,000,000 dry and cold storage warehouse and railway terminal which would be used jointly by some of the rail carriers.

Cleveland—New York, Chicago & St. Louis Railroad Co. is completing plans for a 1-story and 2-story warehouse at 3742-3800 Croton Ave., to cost \$125,000.

Newark—Baltimore & Ohio Railroad is planning a \$35,000 warehouse and freight station.

Norwood—Charles A. Naish has filed plans for a \$45,000 1-story bonded warehouse on Hudson St.

Oregon

Portland—Portland Van & Storage Co., Inc., will construct a \$45,000 2-story addition to its warehouse on East Broadway.

Pennsylvania

Philadelphia—J. M. Fenton Storage Co. is planning to erect a \$200,000 six-story and basement reinforced concrete warehouse on Girard Avenue west of 44th Street.

Philadelphia—Philadelphia Warehouse Co. has approved plans for company dissolution. New interests recently acquired control.

Pittsburgh—Donaldson Transfer & Storage Co. is constructing a \$250,000 six-story and basement warehouse, 60 by 120 ft., as an addition.

Pittsburgh—Point Improvement Co. has plans for a \$250,000 9-story warehouse at Dasher and General Robinson Streets.

South Carolina

Greenville—Greenville Compress Co. has concluded negotiations for purchase of the building and assets of the Pied-

mont Bonded Warehouse Co. and will continue operation.

Tennessee

Nashville—Sanders Transfer & Storage Co. has taken over under lease the warehouse building at 129 Eighth Avenue.

Texas

Houston—Westheimer Transfer & Storage Co. has arranged to handle the storage and distribution requirements of the Linwood Oil & Supply Co., Fort Worth.

Mercedes—Valley Warehouse Co. is perfecting plans for rebuilding its warehouse damaged by fire. Reconstruction is estimated to cost \$20,000.

Washington

White Bluffs—Priest Rapids Ice & Cold Storage Co. is perfecting plans for a \$30,000 cold storage warehouse.

Wisconsin

Milwaukee—Terminal Warehouse Co. is planning a \$600,000 5-story warehouse on West Water Street near Buffalo Street.

Canada

Ontario, Toronto—Belle Ewart Ice Co. has plans for a \$60,000 cold storage warehouse.

Two Fires in One Plant

Two of the buildings of the King Terminal, owned by Tarrant P. King, president of the Northern Avenue Stores & Dock Corp., Boston, were recently visited by fire within a fortnight. The first, on Jan. 27, was in the four-story structure at K and East First Streets and caused a loss of \$5,000. The second was in the building on Elkins Street and the damage was only \$50. The origin of neither blaze was ascertained.

New Incorporations

Within the Industry

(Concluded from page 74)

Newark—Mayfair Warehouse Co. Storage warehousing. Capital, \$125,000. Incorporators, J. Feld and Philip M. Gehl.

Perth Amboy—Laurence Warehouse & Express Co. Warehouse and express. Capital, \$125,000. Incorporators, Laurence Dambach, Matthew F. Melko and Leo Goldberger.

Plainfield—Queen City Moving Co. Van service and express. Capital, 20 shares of stock of no par value. Incorporators, Samuel Segal, E. M. Hamilton and Charles Epstein.

New York

Brooklyn—Taylor Warehouse, Inc. Storage warehousing. Capital, \$10,000.

Flushing—Albrock Moving & Trucking Corp. Van service and trucking. Capital, 100 shares of stock of no par

value. Principal incorporator, S. J. Berger.

New York City—Alvin Storage & Warehouse Co. Capitalization, \$10,000.

New York City—Melrose Storage Co. Storage warehousing. Capital, \$1,000. Incorporator, S. G. Lifschitz.

New York City—Service Distributing Co. Warehousing. Capitalization, \$5,000.

New York City—Thor, Eckert & Co., Inc. Forwarding and express. Capital, \$10,000.

North Carolina

Wilmington—Wilmington Cold Storage Corp. Cold storage warehousing. Capital, \$250,000. Incorporators, E. L. White, Charles B. Newcombe and T. S. Southgate. Mr. Southgate is president of the Southgate Terminal Corp., Norfolk and Portsmouth, Va.

Ohio

Cincinnati—City Transfer & Forwarding Co. Capital, \$25,000. Incorporators, Richard E. Jungelas, Herbert E. Ritchie and Karl E. Wettengel.

Cleveland—Manufacturers Transit Co. Freight and merchandise cartage and haulage business. Capital, \$25,000. Incorporators, Franklin I. Rose, M. E. Goldstein and Harry Payner.

Maumee—Maumee Freight Terminal Co. Capital, 150 shares no par and \$1,000 preferred. Incorporators, A. M. Kane, Eva E. Kane and J. E. Roberts.

Pennsylvania

Philadelphia—United Motor Freight Co. Transfer and express. Incorporated under Delaware laws. Capital, 500 shares of stock of no par value.

Rhode Island

Providence—Checker Transfer Co., Inc. Transfer and express. Capital, 100 shares of stock of no par value. Incorporators, Amos G. Ardoene, George F. McCanna and Raymond P. Edmond.

Providence—Providence Produce Warehouse Co. Cold storage warehouse. Capital, \$350,000. Incorporators, Frank W. Matteson, Arthur P. Russell and Eugene J. Phillips.

Texas

Austin—Electric Ice Co. Cold storage warehouse and ice plant. Capital, \$30,000. Incorporators, Ross D. Rogers, H. A. Nobles and W. A. Barlow.

Livingston—Livingston Ice Co., Inc. Cold storage warehouse and ice plant. Capital, \$50,000. Incorporators, J. L. Phillips and S. F. McDonald.

Washington

Seattle—Maritime Transfer & Storage Co. Capital, \$500. Incorporators, John Cormode and John Ambler.

Wisconsin

Milwaukee—A. A. A. Storage Co. Storage warehouse. Capital not stated. Incorporators, Arthur M. Mueller, A. M. Aldrich and Paul H. Paulsen.